

January 28 1977
live pence

THE TIMES

The Treasury clears the decks for industry. Peter Jay, p 16

the Attorney General comes, as he does here, and tells us that he has a prerogative which he alone is the one who can say whether the criminal law should be enforced in courts or not, then I say he has no such prerogative. He has no prerogative to dispense with the laws of England"—Lord Denning giving judgment yesterday

Judges reject Mr Silkin's argument on constitutional role

of Appeal, in upholding the right of an individual in law when the Attorney General has refused to bring a criminal action, has strongly criticized the role that Mr Silkin put forward last week in defending

his role. At the House of Commons Mr Silkin said yesterday that he refused his consent in a move against a Post Office boycott of South Africa for political reasons, and that he might appeal to the Lords.



Vice-President Mondale with Mr Callaghan at the press conference after their talks yesterday.

Right of individuals to go to court is upheld

line... ondent... of Appeal has up... of the individual... ne to the court... prevent a crime... committed, even... rney General has... re his consent to... ing brought. An... if House of Lords... ings is likely... idgments in the... mail boycott case... terday, two of the... specifically re... gument put for... Silkin, QC, the... al, that the court... to deal with the... had refused his... at no member of... ld refuse to the... d refusal... ission is, to my... w to the whole... w of England".
Master of the... These courts are

Denning profile
Parliamentary report
Judge in dock
Leading article
Law Report

"When the Attorney General comes, as he does here, and tells us that he has a prerogative by which he alone is the one who can say whether the criminal law should be enforced in these courts or not, then I say he has no such prerogative. He has no prerogative to dispense with or to dispense with the laws of England."
Lord Justice Lawton said that there was no question of a clash between the courts and Parliament. Still less was there any question of impugning the honour, reputation and rights of Parliament.
He accepted that the Attorney General had to take into account the public interest, which he might be in a better position to assess than judges, and that he had access to information not available to the courts.
"What I cannot and do not accept is that he and alone, in relation to law enforcement through the civil courts, is the

sole arbiter of what is the public interest. He does not claim infallibility. He may be wrong. If he is, many members of the public may be inconvenienced or suffer material loss."
Lord Justice Lawton thought the court would intervene only in the rare cases where there seemed no discernible reason why threatened breaches of the criminal law should not be restrained. The court would vigorously deny relief to mischiefmakers, busybodies and those who would not be personally affected by the threatened criminal acts.
The court of Appeal lifted the temporary injunctions on the two postal unions which it had imposed on January 15 on the application of Mr John Gouriet, secretary of the National Association for Freedom.
It gave leave to the unions and the Attorney General to appeal against its declaration to the House of Lords.

Premier will lead way to Washington

By David Spanier
Diplomatic Correspondent
Mr Callaghan will be the first Western Prime Minister to meet President Carter. An invitation to visit Washington from March 10-12 was delivered to the Prime Minister by Vice-President Mondale at the start of their talks yesterday, and accepted.
The Vice-President's discussions at Downing Street yesterday afternoon, followed by a working dinner, were brief but evidently sufficient to set Anglo-American relations on a cheerful course.
Mr Mondale, looking aglow with good feelings, echoed Mr Callaghan's concern with the economic issues. These were central, the Vice-President said, to the whole world, and it was

important that they developed economic policies which dealt with the twin problems of unemployment and inflation. On that, he urged a faster pace to get multilateral negotiations moving.
Mr Callaghan, asked what the most important issue he would raise with President Carter might be, said he was most concerned about economic development next year. It could be one of the most difficult years the world has ever seen, in terms of growth, the Prime Minister said.
Mr Mondale confirmed that the Administration regarded economic problems in all these aspects as a high priority. He indicated that new proposals were to be expected in the near future, regarding American economic policies at home and abroad.
While little of substance emerged from the two leaders' press conference, held at the Government's new press centre in the Bath Club off St James's, it was clear that a wide range of subjects was covered in their talks.
Apart from the economic outlook, in which they discussed the venue and possible date of the summit meeting, they touched on development and the Third World, nuclear and conventional disarmament, Cyprus and the Middle East.
Our Rome Correspondent writes: Mr Mondale called on the Pope this morning to deliver President Carter's best wishes "and receive from you your impressions concerning the great humanitarian and moral issues of our time."
They were together for more than an hour in the Pope's private library.
Brazhnev meeting: President Carter said today that he will meet Mr Brezhnev, the Soviet Communist Party leader, later this year to determine how much the Russians will cut back on strategic arms before deciding United States policy.
"My own hope is to explore every possible way with the Soviet Union to cut down dependence on weapons of all kinds," Mr Carter told a group of 350 students in Washington.

Attorney General says he acted for political reasons

le context of... law is at issue".
Silkin, QC, the... eral, said after... Master of the... to other judges... yesterday that he... re the law. The... Silkin said in the... eral's office was... in junction brought by Mr John Gouriet, an official of the National Association for Freedom. That brought him into collision with Lord Denning and his colleagues.
"There was a great risk that wider industrial action would be taken if the Attorney General intervened," Mr Silkin said. He left no doubt that he had consulted Cabinet minis-

ters and then "exercised my own judgment about it". He thought there was a serious risk of industrial action by Post Office unions, and, for historic reasons, he thought it unwise for the Government to be interfering in what he called "the industrial field". The whole operation was to keep industrial relations out of the criminal law.
Asked whether the judges were going up against the Labour Government, Mr Silkin answered that everyone had his prejudices, but he assured that the judges left them behind when they went into court.
There had now been four decisions including Laker air services and the present one, that indicated the willingness

of the courts "to go rather farther in control of the executive than they have in the past". But he did not suggest that that had been done on party political grounds, because "the courts may see themselves more as protectors of the citizen against the executive."
What was more serious was that Parliament saw its role as protector of the citizen against the executive "and I do not want to see a clash". Let the courts and Parliament keep to their respective roles, Mr Silkin said. He added: "If Parliament has suspicions about the motives of the judges, then I should be very worried."
As the Attorney General saw it, he had done no more than all his predecessors had done

on the basis of absolute discretion, but if the law ought to be changed it should be changed by Parliament. The question involved not only the Attorney General of the day but also others, although the Master of the Rolls apparently argued that the law should be amended.
On the question of public interest, Mr Silkin argued that if the Attorney General leapt in, "then, on the best information available to me, there was a serious risk that the Post Office people would say 'we are being picked on'." They would ask why should they be. They "might have dealt with the matter by protesting in the

Government plans to cut public spending by £1,200m next year

By David Blake
Economics Correspondent
Public spending in Britain will be £1,200m lower in real terms next year than this, the first such fall during the decade, The Government White Paper on public expenditure, published yesterday (further details, page 2) shows that total expenditure during 1977-78, which begins this April, is expected to be £52,502m in 1976 prices compared with £53,968m during this year.
The White Paper states that as well as cutting the forecast expenditure for next year, the Treasury has successfully ended the expenditure during 1975-76 and 1976-77 has remained safely within the limits set in last year's estimates.
But although the combination of tough control systems and repeated programmes of cuts has brought down spending in the present and the immediate future, tough new battles seem certain during the coming year as ministers and officials go through another round of negotiations aimed at bringing down the expenditure programmes for 1978-79 and 1980-81 which were included in last year's White Paper or flow logically from it.

Yesterday's document, which essentially pulls together last year's packages of cuts in global expenditure totals, does not give details of individual programmes and does not go beyond 1978-79.
This is because the figures for the remaining years to 1981 in the five-year programme, which is normally covered by the workings of the Public Expenditure Survey Committee (PESC), were "not further reviewed in the light of the developments which led to the measures announced on December 15".
That is a polite way of saying they are thought to be too high. Although the provisional figures for individual programmes will be published up to 1980-81 when the detailed estimates become available in February, the aim of excluding anything after 1979-80 is clear. It is partly to avoid shocking anyone by the sight of a new, sharp increase in 1979-80 and partly to stress the idea that estimates for the later years are very provisional indeed.
The White Paper commits the Government to reexamining them during this coming year's round of expenditure discussions, during which it will also be necessary to find cuts of £500m from the planned programme for 1978-79 to meet the pledge in the International Monetary Fund that the Government will make a "fiscal adjustment" of that amount. There is no commitment that this will take the form of public spending cuts, but ministers are to be given the option as an alternative to raising taxes.
This year's White Paper makes no attempt to provide the kind of detailed projections of the use of resources in the economy which have been contained in previous expenditure surveys. But it does spell out very clearly the grim economic situation which provides the backdrop to the £1,624m net reduction in planned expenditure for 1977-78 which was carried out in the changes since the last White Paper in February, 1976.
During the past 15 years, the rate of growth of productivity in the United Kingdom has been barely two thirds of the average of industrial nations in the Organization for Economic Co-operation and Development.
Continued on page 20, col 5

Home Street identifies men in dock

ews identified four Irishmen in a Central Criminal Court as the held him and his wife prisoner Balcombe Street, London, for five years, 1975, Mr Matthews said: "I treated in any way at all." A read to the court in which Mrs Whirter described the killing of Ross, at their home in Enfield, Page 2

Mass demolitions feared in Manchester

Unless adequate grants and subsidies for the improvement of older houses are forthcoming Manchester may have to demolish many of the 40,000 homes it is hoping to modernize, Councilor Allan Roberts, chairman of the city council's housing committee, says. An average of about £5,000 is needed to be spent on each property but the Government granted less than £3,000. Page 4

Carter plan for faster growth unveiled

From Frank Vogel
US Economics Correspondent
Washington, Jan 27
The Carter Administration's three main economic policy officials today presented the budget committee of the House of Representatives with the full details of the President's stimulative economic programme, complete with forecasts for the domestic economy, United States credit markets and the world economy.
Mr Michael Blumenthal, Secretary of the Treasury, said the United States must expect a larger deficit in its current account balance of payments this year. He said the Government was encouraging West Germany and Japan to stimulate their own economies in much the same way as the United States planned to do in order to help developing nations and such countries as Britain, France, Italy and Mexico to achieve faster growth.
Dr Charles Schultz, chairman of the Council of Economic Advisors, told the committee that the programme would cost \$31,200m (£16,000m) over two years. It should produce real growth in the gross national product this year of between 5½ and 6 per cent.
Mr Bert Lance, the director of the office of Management and Budget, said that the programme would add "a modest general stimulus" to the economy. There was "little evidence to justify concern" that the programme might be

inflationary, given the great degree of slack in the economy.
Dr Schultz believed that unemployment would be the final quarter of this year should be down to 6.7 to 6.9 per cent, considerably lower than would be the case without a stimulative programme. The programme was vitally needed because "the recovery from the worst recession of the post-war 40 years has to date been disappointing, and without vigorous action, it shows signs of continuing disappointments."
Mr Blumenthal said that although the budget deficit would be increased, strains in the credit markets were most improbable. He forecast that interest rates would rise "only very marginally".
Present policies in the main industrial nations suggested some slackening in economic growth this year, he said. The United States programme represented a "world approach" to help the international economy at this time.
The American programme was likely to stimulate world trade, helping weaker countries to reduce their payments deficits. But the effect of more stimulative policies by the strong countries (the United States, Japan and West Germany) should not be overestimated, he said. A 1 per cent rise in real GNP in the "big three" countries would increase their combined import demand by about \$4,000m, of which only about two-thirds could directly benefit the financially weaker countries.

Man charged with bank girl's murder

Michael George Hart, aged 38, unemployed and of no fixed address, was charged last night with the murder of Angela Wooliscroft, aged 20, a bank clerk. He is to appear at Richmond Magistrates' Court today.
Miss Wooliscroft was shot over the counter at Barclays Bank at Ham, near Richmond, 10 weeks ago after handing over £2,500. Barclays later offered a £50,000 reward for information leading to the killer's arrest.

Film man shot

Los Angeles, Jan 27.—Lawrence Merrick, aged 50, who produced and directed the documentary film Manson based on the 1969 killings of Sharon Tate, the actress, and six other people in California, was murdered today.
A sniper shot him in the back as he crossed a hallway of his cinema school in Hollywood—Agence France-Presse.

Terrorism pact y 17 states

ons signed the European Convention on Repression of Terrorism in at France, Norway, Italy and pressed reservations, particularly on procedures. Ireland and Malta Page 6

Tate & Lyle statement

Tate & Lyle issued a statement in which it said the company rejected allegations made in an article in The Times yesterday based on the Comptroller and Auditor General's report on the supply of cane sugar in 1973. The company said it "acted with every propriety in all the transactions covered by the Comptroller's report." Page 19

'Moby Dick' price record

A first edition of Moby Dick, under its original title, The White-Jacket, became the most expensive work of fiction to be sold at auction when it fetched £30,813 in New York. Herman Melville's famous novel is recognized as one of the great works of American nineteenth-century literature. Page 18

Briton wins bronze

Robin Cousins, of Britain, won the bronze medal in the European figure skating championships in Helsinki last night. Jan Hoffman, of East Germany, took the gold and Vladimir Kovalev, of the Soviet Union, the silver. Page 10

Food price move

Gundelach, the new European for agriculture, announced his to hold down EEC farm prices accumulation of surpluses. In a g a radical change in Brussels it clear that farmers could no large annual price increases. Page 6

Windscale closed

A strike by nearly 3,000 men over pay closed the nuclear power plant at Windscale, Cumbria. Page 2

Libres trial opens

aka, the former Prime Minister on trial in Tokyo on charges that to secure a big sales contract used Aircraft Corporation. In a open, the prosecution impli and Nixon, the former American he bribery scandal. Page 8

Nice: A three-page Special Report

on the capital of the French Riviera and its impact on the region. Page 13-15

Women priests

those only men as his apostles pathetic attitude to women, the in a statement giving its reasons women in the priesthood. It was t not conforming to the customs of the Roman Catholic Church was w Christ's example. Page 6

Cyprus talks raise hopes of breakthrough

From Our Correspondent
Nicosia, Jan 27
President Makarios and Mr Rauf Denktaş, the Turkish-Cypriot leader, met today for the first time in 13 years for talks, which the President later described as a "good step towards a settlement", and a "breakthrough" for the resumption of the long deadlocked inter-communal peace talks.
Mr Denktaş said that "the question was to make a start, and this has been done constructively, in a sincere atmosphere and in frankness."
Diplomatic sources felt that the surprise meeting provided grounds for hope.
The two leaders talked to reporters at separate briefings in the Greek and Turkish Cypriot sectors of Nicosia, which has been divided since the outbreak of inter-communal fighting in December, 1963, the date when the two men last met face to face.
He discussed the fundamental aspects of the Cyprus question, that is to say the central administration, a federal system and the territorial issue", Mr Denktaş declared.
President Makarios explained that the objective was to find common ground for a package deal, since all the various aspects were inter-related. Despite his reference to a "breakthrough", he gave warning that "I cannot say there has been a rapprochement of views, serious differences continue on basic issues".
The two leaders conferred for two hours and 45 minutes at the United Nations peace force headquarters in Nicosia's disused international airport—closed by the Turkish invasion of July 1974 and the continuing occupation of nearly half the island.
President Makarios said that Dr Kurt Waldheim, the United Nations Secretary General, will visit Cyprus on February 12, during his journey to the Middle East.
An interview given by Archbishop Makarios to The Times last month opened the way to today's meeting. This was disclosed by Mr Denktaş in a letter he sent to President Makarios. The text quoted views expressed by the archbishop during the interview.
Denktaş letter, page 8
Leading article, page 17



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HOME NEWS

Balcombe Street prisoner identifies four men in dock

Mr John Matthews was asked at the Central Criminal Court yesterday if he could identify the men who held him and his wife prisoner in their flat in Balcombe Street, Westminster, for five days in December, 1975.

He looked across the hushed courtroom at the four Irishmen in the dock and said: "It was the four defendants."

Mr Matthews, aged 55, a Post Office worker, went on to describe how four gunmen burst into his flat while fleeing from the police.

He said: "There was a commotion outside in the road, a lot of noise and shouting. I looked out of the window and saw police cars and policemen hiding behind cars and looking up the road."

"I went out on to the balcony, but was told to get back inside by officers below because there were armed men there."

He went inside and closed the door to the balcony, and soon afterwards the doorbell rang. He opened it and found the police, but was confronted by the four defendants.

"They forced my wife and me back into the sitting room and then they switched off the light," he said. An air raid siren was taken out of the sitting room and put against the front door as a barricade.

When the police knocked on the door his wife was forced to tell them to go away. He was tied up with ropes.

One of the four men dialled 999. The conversation was to the effect that they had two hostages. The caller said: "Do not try to break in."

Mr Matthews said he heard

someone using a loudhailer call on the men to surrender. Asked about a telephone call from his daughter, he said: "We have heard since that a number of telephone calls came in from relatives, but they were never put through to us."

He said the television was switched on and the news gave details of the night's events.

Asked about the men's response, he said: "There were photographs or pictures taken of vehicles, one with a bullet hole in it. They laughed about what had happened and said that the police had shot that hole themselves."

Mr Matthews said his feet remained tied from the Sunday night until the next Friday morning, although his hands were released some time earlier.

He described how they spent the first night. "We smoked and smoked and there were small bottles of mixer drinks and we drank that."

"There was a full bottle of whisky but the four men did not touch any of the spirits at all, although it was available. They did clean their teeth with the whisky at the end."

"During that first night they did not put their guns down at all. Right through the whole time there were always two awake with guns in their hands."

During the siege, he continued, the police communicated with the gunmen on a field telephone or with a loudhailer. Provisions, cigarettes and pills for his wife, who had been ill, were lowered to the flat. His wife spent much of the time

curled up in an armchair, and he lay on the settee.

Asked if, apart from the discomfort of imprisonment, they were ill treated, Mr Matthews said: "We were not ill treated in any way at all. They spoke roughly sometimes, but physically, no."

He said there was a plan for a break out in which it was to be used, dressed up as one of the gunmen.

It happened on the Friday, just before they were released. His feet were untied and he was made to put on a sports jacket belonging to one of the four men. The plan was not explained, but it involved his car, which was parked outside the flat.

"My wife and I walked round the room to make sure we could walk after having had no exercise. Then, for no apparent reason at that time, the break-out was called off."

"We had a small transistor radio in the flat and the four men listened to it almost every news bulletin. There was a mention that the SAS [Special Air Service Regiment] were on hand."

Asked by Mr Justice Cantley how he thought he and his wife were to have been used in the break-out, Mr Matthews said: "I assumed we were both going out with the men."

Then came the change of heart and they were freed. The negotiations during the siege were described by Commander James Neville, head of the bomb squad, who at the time was a detective chief superintendent.

He said that in a call to the police information room, the caller said he was speaking on



Mr Matthews: "Made to put on gunman's jacket."

behalf of the Provisional IRA. The men wanted an aircraft to take them to Ireland and said they were prepared to wait a few days if necessary.

Mr Neville said he rang the flat on the Sunday morning and was told that the gunmen wanted the aircraft by midday. "I made unsuccessful efforts to persuade them to release the hostages and made repeated promises that they would be properly treated if they did surrender and no one would be hurt."

It was agreed over a field telephone that the man speaking at the other end would use the name Tom, while he and Det Supt Peter Imbert would use their Christian names, Peter and Jim.

Most of the negotiations were

carried on with Tom—it turned out to be Mr O'Connell—and they managed to strike up some rapport.

Mr Imbert, now Assistant Chief Constable of Surrey, said that on the morning of Friday, December 12, Tom asked what the conditions of surrender were, and was told that they should put down their guns, free Mr and Mrs Matthews, and give themselves up.

Mrs Matthews was freed and the siege ended a couple of hours later when Mr Matthews was released and the four men surrendered, he said.

Det Constable Patrick O'Connell said two 357 Astra Magnums, a 38 Colt revolver, another 38 revolver and a Browning automatic, all fully loaded, were recovered from the flat.

A statement in which Mrs Rosemary McWhirter described her confrontation with her husband's killers was read to the jury earlier.

Mrs McWhirter said two men pointed guns at her as she got out of her car at her home at Enfield, London. One of them demanded her keys. At gunpoint she pressed the front-door bell and her husband, Ross, opened the door.

She ran into the hall and then the kitchen and heard two shots. She saw her car being driven away and her husband lying just inside the front door. He was covered in blood. She screamed and ran across the road to raise the alarm. She would not "like to be in a position to identify the assailants" because the incident happened so quickly.

The trial continues today.

Devolution deal is denied by Mr Foot

By Our Political Staff

No "deal or bargain" has been entered into by the Government to reduce the number of Scottish and Welsh MPs at Westminster and increase the number from Northern Ireland in return for an assurance of votes on a possible guillotine motion to shorten proceedings on the devolution Bill, Mr Foot, Leader of the House, told the Commons yesterday.

Ministers were not denying, however, that serious consideration was being given to the inclusion in the Bill of such a reduction in Scottish and Welsh representation in the light of demands made during the second reading debate and later.

Nor do they deny that the Government will eventually bring in a guillotine motion. It is only a matter of timing. When it is patently clear, and some would say the stage has been reached already, that the Bill will get through only if a timetable is imposed, Mr Foot will put down the motion. He will deliberately not accuse the opponents of filibustering.

One of the five points on which the Liberals want a Government promise, in return for their cooperation, concerns a reduction in the seats at Westminster, and that could be achieved by an amendment to the Bill without it being necessary to have a Speaker's Conference on the subject.

Mr Donald Anderson, Labour MP for Swansea, East, asked Mr Foot about persistent press reports that "as part of a deal on the guillotine" the Government was proposing to reduce the Welsh and Scottish representation.

Replying, Mr Foot said: "No deal has been made by me or by any other member of the Government on the subject."

"What appeared in The Times was a speculative report and those who read it can see that the author was careful to frame what he said in speculative terms. It is natural that journalists should speculate, because these are among the topics which have been raised in the House, and the Government has given an undertaking to consider what is said in the House of Commons."

Mr Foot was unable to say when the Government would table its new clause providing for reductions in Scotland and Wales, but it was ready to change the order of debate so that it would be considered in advance of other proposed new clauses.

When Mr Thorpe, the former Liberal leader, asked about reports that the Government would arrange for the referendum to be held after the Bill had completed its passage in the Commons, and before it came before the Lords, Mr Foot gave a firm denial. "The appropriate time will be when Parliament has made its decision on the Act," he said.

White Paper pro £31m more health

By Pat Healy and Neville Hodgkinson

The health services are being asked to make further cuts of £3m in 1977-78 and £28m in 1978-79 under the terms of the public expenditure White Paper published yesterday. The cuts are expected to fall mainly on drugs and the administrative costs of family practitioner committees.

Local authorities, which are asked to take a large share of the proposed cuts, may have to reduce staff by up to 30,000 and some services may be reduced.

Total savings in health and personal social services will be £236m more over the four years to 1978-79 than had been estimated in the expenditure White Paper last February. The new cuts are seen as targets by the Department of Health and Social Security, because no specific decisions have been taken yet.

However, Mr Ennals, Secretary of State for Social Services, is concerned at over-prescribing by doctors. It is estimated that the average family doctor prescribed £12,000 worth of drugs in 1975, costing the service £17,000 after pharmacy fees and costs were added.

The health service has already been asked to reduce administrative costs, and health and social servants are now employed centrally. Family practitioner committees are likely to be asked to make similar economies when they are presiding over the family doctor service, which costs more than £1,000 a year.

Savings on health and personal social services have been reduced, however, by the £18m overspend by council social services departments in 1976-77. Total expenditure is expected to rise by £3m to £24m in 1977-78 and rise the following year to £26,587m.

The social security budget is expected to cost £53m more over the four years, compared with the previous White Paper. Local authority social security services are expected to cost £11,910m in 1978-79, more than £9,000m of which is paid for by the national insurance contributions. The cost increase over the previous White Paper arises

mainly from an increase in the cost of child benefit.

A fall in local numbers of benefit claimants of 30,000 is expected in 1978-79, but the cost of the benefit is estimated at £13,904m in 1978-79, a fall from £13,661m in 1977-78.

The proposed cuts will mean that only 1 per cent of the total employed by the reduction much bigger to current sp.

£130m from previous year. With that aid in Britain slightly between 1977-78, from £11,031m at 15.

The plans in envisaged a reduction as public spending 1977-78, from £2,873m. The put at £2,702m.

Ratepayers' Council, met approved a increase in d precept (Our L Correspondent

close to the 15 increase in d precept. Secretary of S. vironment, who the Governme grant last Nov Hampshire C

to be recomme a rate precept per cent. Strike call: 1 National and ment Officers' ing for Essex called yesterday

threat to ot because of the The Governme Plans (Comm d Office, 60p).

PROGRAMME CHANGES, 1975

	1975-76	Em
Defence	-42	-
Overseas aid and other overseas services	-78	-
Agriculture, fisheries, food, forestry	-48	-
Trade, industry, employment	-145	+31
Roads, transport	+219	+11
Housing	-18	-
Other environmental services	-17	-
Law and order	+85	-
Education, libraries, science, arts	-44	-
Health and personal social services	-110	-38
Social security	-10	-
Other public services	-25	-
Common services	-76	-
Northern Ireland	-	-
Various	-	-
Total changes	-394	+8

*Addition more than covered by contingency reserve.

Union defers any decision to appeal

By Tim Jones

Labour Staff

Mr Tom Jackson, general secretary of the Union of Post Office Workers, said yesterday that any decision to appeal against the High Court judgment would depend on whether the union's right to strike had been "substantially affected" by the hearing.

Legal representatives for his union and of the Post Office Engineering Union will read the full text of the judgment, and the two national executives will act on their advice. It is unlikely that any decision will be made before the weekend.

He was not surprised by the outcome, although "the union never set out to break the law, nor have we been accused previously of breaking the law. We obeyed the injunction, even in Scotland and Northern Ireland, where it did not apply."

Mr Jackson said that when the executive took the unanimous decision to boycott mail to South Africa it did not believe it was going contrary to the law.

When, in 1973, the union had imposed a boycott of mail against France to protest against nuclear explosions in the South Pacific, no action had been taken against it, although there were clear parallels.

The Post Office Engineering Union said yesterday that the executive would not meet to make a decision on appeal until the middle of next week.

A man prepared to place a new interpretation on the law if he considers it right and justice requires it

Reference book tells little of Lord Denning

By Clive Borrell

Thirty-two lines in *Who's Who* would be as much as most men dare aspire to in a lifetime, but they tell little of a man such as Lord Denning, Master of the Rolls, especially during the past 15 years.

Most of what he has said in a brilliant lifetime of service to the law is safely stored for posterity throughout the libraries of the world. What none has been able to capture is the way he said what he had to say.

By his colleagues at the Bar, Alfred Thompson Denning, who was 78 last Sunday and was appointed a judge in 1944, is considered a strong judge, one prepared if he considers it right, to place a new interpretation on the law if he feels justice requires it.

As long ago as 1959, when giving a lecture, he questioned the legal doctrine of "from precedent to precedent". Some lawyers, he said, took pride in those words by Tennyson, believing they meant "Stand by your decisions and the decisions of your predecessors, however wrong they are, whatever injustice they inflict."

Acting on that interpretation lawyers did nothing to broaden the basis of freedom, they narrowed it.

"If lawyers hold to their precedents too closely, forgetful of the fundamental prin-



Lord Denning: Lifetime of service to the law

ciples of truth and justice which they should serve, they may find the whole edifice comes tumbling down about them."

Five years later, speaking to the British Association in layman's language, he explained what he considered to be the functions of the Bench.

"Judges do not speak, as do actors, to please. They do not speak as advocates do, to persuade. They do not speak as

historians, to recount the past. They speak to give judgment. And in their judgments you will find passages which are said to rank with the greatest literature which England holds."

Just over two years ago, again in another lecture, Lord Denning gave the Foundation Oration at Birkbeck College, entitled "Justice Done."

Repeating the title of his lecture, he said: "I take it because at this time the law is in danger of being undermined for political reasons. On all sides, after the sentence of the court has been given, we hear demands that it should be set aside."

"There are people in this country today who have broken the law, a law of which they disapprove. Then, having been sentenced, they seek to avoid the consequences. Others support them. To them I would say: Do not carry your politics so far as to undermine the rule of law itself. If you do that you will rue the day. For it is on the rule of law that civilized society depends."

He changed the law, if you please, dear the future. Show mercy if you please, to those who have offended. But do not let them off solely because it was a law of which you disapproved. Every law passed by Parliament must be enforced by the judges. Once passed, no one is at liberty to suspend or modify it. The law of England."

Attorney General defends decision not to proceed

Continued from page 1

traditional industrial way of being picked on."

As Mr Silkin put it, the Attorney General has to do a balancing act after getting information from his colleagues and others, and sometimes there were factors he could not tell Parliament about.

In the House, Mr Silkin had made a statement in reply to Sir Michael Havers, QC, the shadow Attorney General, about his reasons for refusing consent to bring relator proceedings for an injunction against the Post Office Workers' Union.

Mr Silkin said the Court of Appeal yesterday morning gave judgement against the Post Office Union, and also gave leave for him to appeal to the House of Lords "on a constitutional issue of great importance."

He said that the grant of his consent to Mr Gouriet's application would have amounted to a departure from well established principles applied by all Law Officers of all parties.

Mr Silkin continued: "It would be a departure in favour of a member of the public who, if an offence had been or were to be committed, had the power to invoke the criminal law without my intervention. It could not be known whether the Post Office Union workers would need their employers' warning; and if the Post

Office thought criminal offences were being committed, it would have various ways of bringing them before the courts, "in some of which my consent would not be needed."

"On the face of information available to me and in my judgment, the taking of injunction proceedings in my name had the inherent risk, at this early stage, of inflicting the situation before the need for it was demonstrated and might well result in breaches of the law and inconvenience to the public over a much wider area than the two sections of Post Office employees affected by the 'injunction' circular."

In all the circumstances, and giving full weight to the importance of enforcing the law, "I concluded, and I am confident that I was right, that the balance of public interest was against giving consent to Mr Gouriet's application to take in my name injunctive proceedings to enforce the criminal law."

Sir Michael Havers challenged Mr Silkin to explain why he did not announce, in exercising his discretion, that the action of the Post Office Union was illegal. The three judges were clear that the threatened action was a breach of the criminal law.

Mr Silkin answered that the boundaries of the matter were far from clear. The Court of Appeal had thrown the issue into doubt, and that was a serious constitutional issue that would have to be decided.

Mr David Watson, who was dismissed from Rickmansworth School, Hertfordshire, for teaching the literal Genesis view of the creation, received support yesterday from Mr Norman St John-Stevens, opposition spokesman on education.

Mr St John-Stevens said he preferred the evolutionary theory, but it had not yet been demonstrated to the point of total establishment.

Mr Rhodes Boyson, junior spokesman on education, said the dismissal was unfair because Mr Watson had not been told about the county's agreed religious syllabus until some months after his appointment.

Strike shuts nuclear power plant

Windscale, Britain's first nuclear power station, shut yesterday after nearly three thousand workers had walked out, leaving four reactors idle. The strike was a spectacular one, and those who read it can see that the author was careful to frame what he said in speculative terms. It is natural that journalists should speculate, because these are among the topics which have been raised in the House, and the Government has given an undertaking to consider what is said in the House of Commons."

Mr Foot was unable to say when the Government would table its new clause providing for reductions in Scotland and Wales, but it was ready to change the order of debate so that it would be considered in advance of other proposed new clauses.

When Mr Thorpe, the former Liberal leader, asked about reports that the Government would arrange for the referendum to be held after the Bill had completed its passage in the Commons, and before it came before the Lords, Mr Foot gave a firm denial. "The appropriate time will be when Parliament has made its decision on the Act," he said.

British Nuclear Fuels said last night that "an established shut-down procedure" was being followed to ensure that there was no danger to the public or to workers remaining on the sites.

As well as the nuclear fuel reprocessing activities, which have caused national controversy over proposals to expand them, the advanced gas-cooled reactor and part of the Calder Hall nuclear power station, which supply electricity to the national grid, have also been closed. One reactor at the Calder Hall station is being kept running to provide essential lighting and power to the nuclear industry complex on the Cumbrian coast.

Labour peers to continue talks on Lords reform

By Our Political Correspondent

Labour peers decided yesterday that in spite of strong feeling in the Labour Party in favour of abolishing the House of Lords they will go ahead with their own discussion of the reform of the House and the preservation of the bi-cameral system.

They decided to set up a working party under the chairmanship of Lord Champion to consider the "short-term and long-term aspects of the question."

At the meeting yesterday there was strong criticism of my report last week that Labour peers, noting the "anti-Lords" feeling in the party, had decided that it was politic

not to produce their own plans for reform.

Lord Champion, who is the elected representative of the Labour peers on the party's liaison committee, said the working party "will proceed without prejudice to other studies and discussions now taking place, such as those of the NEC and the Parliamentary Labour Party in the Commons."

It would report to a full meeting of Labour peers.

Apparently the working party hopes to produce fairly soon proposals for the sort of reform that could be achieved by self-regulation, and then consider long-term improvements to the composition and powers of the House.

In brief

£50 fines for pub assault

A father struggling to support five children on social security lost his temper when he saw a man who had begged money from him buying double whiskeys in a public house, magistrates at York were told yesterday.

They imposed fines totalling £50 on Manus Rodgers, aged 32, of Ball Farm Avenue, York, who admitted assaulting Mr Edward Bradshaw, of no fixed address, and causing a wound that needed four stitches.

Jail for manslaughter

Maurice Wells, aged 34, a down-on-his-knees, Colchester, Essex, who surrendered to the police after a siege of his home in September, was found not guilty at Chelmsford Crown Court yesterday of the murder of his wife, Suzanne, aged 27, but was jailed for 10 years.

Mushrooms warning

The Department of Health and Social Security last night warned the public about cans of sliced mushrooms labelled "Grove brand" which it said might constitute a public health hazard.

East-West dialogue

Paul Moorman describes the persistent attempts to maintain an East-West dialogue among the rectors of European universities. R. I. Moore discusses the teaching of history, and Michael Binyon reports on "the pecking order" among American universities. In The Times Higher Education Supplement today.

Weather forecast and recordings

NOON TODAY Pressure is shown in millibars. FRONTS Warm, Cold, Occluded. (Symbols are on accompanying map)

Today Sun rises: 7.45 am. Sun sets: 4.43 pm. Moon rises: 1.54 am. Moon sets: 11.25 am. Full Moon: February 4. Lighting up: 5.13 pm to 7.14 am. High water: London Bridge, 7.34 am, 6.1m (20.1ft); 8.12 pm, 6.1m (19.9ft). Avonmouth, 12.12 am, 10.1m (33.1ft); 12.43 am, 9.8m (32.3ft). Dover, 4.44 am, 5.5m (18.0ft); 5.30 pm, 5.2m (17.0ft). Hull, 12.5 am, 5.6m (18.3ft). Liverpool, 5.1 am, 7.2m (23.5ft); 5.30 pm, 7.2m (23.5ft).

A complex area of low pressure will move slowly over S England, and a cold N airstream will slowly extend across much of Scotland.

WEATHER REPORTS YESTERDAY MIDDAY

5, fair; 7, rain; 8, sun. A. Palmira, 12.5; C. cloud; d, drizzle; e, drizzle; f, rain; g, sun; h, sun; i, sun; j, sun; k, sun; l, sun; m, sun; n, sun; o, sun; p, sun; q, sun; r, sun; s, sun; t, sun; u, sun; v, sun; w, sun; x, sun; y, sun; z, sun.

Forecasts for 6 am to midnight: London, SE, central S and SW England, Channel Islands, heavy showers, bright periods; wind SW or variable, light or moderate; max temp 7°C (45°F). East Angles, Midlands, SE, England and S Wales, bright, rain, sleet on hills, hill fog; wind E, moderate; max temp 5°C (41°F).

N Wales, NW, central N and NE, England, Lake District and Isle of Man: cloudy, rain at first, becoming brighter later; wind NE, moderate; max temp 4°C (39°F).

Borders, Edinburgh and Dundee, Aberdeen, SW, NE and NW Scotland, Glasgow, central Highlands, Moray Firth, Argyll, Orkney, Shetland and N Ireland: showers, sunny intervals, frost in sheltered places; wind N, light or moderate; max temp 1 to 3°C.

Outlook for weeks generally colder, but sunny periods, showers and night. Sea passages: 5 Strait of Dover Channel (E) (F) (G) (H) (I) (J) (K) (L) (M) (N) (O) (P) (Q) (R) (S) (T) (U) (V) (W) (X) (Y) (Z) (AA) (AB) (AC) (AD) (AE) (AF) (AG) (AH) (AI) (AJ) (AK) (AL) (AM) (AN) (AO) (AP) (AQ) (AR) (AS) (AT) (AU) (AV) (AW) (AX) (AY) (AZ) (BA) (BB) (BC) (BD) (BE) (BF) (BG) (BH) (BI) (BJ) (BK) (BL) (BM) (BN) (BO) (BP) (BQ) (BR) (BS) (BT) (BU) (BV) (BW) (BX) (BY) (BZ) (CA) (CB) (CC) (CD) (CE) (CF) (CG) (CH) (CI) (CJ) (CK) (CL) (CM) (CN) (CO) (CP) (CQ) (CR) (CS) (CT) (CU) (CV) (CW) (CX) (CY) (CZ) (DA) (DB) (DC) (DD) (DE) (DF) (DG) (DH) (DI) (DJ) (DK) (DL) (DM) (DN) (DO) (DP) (DQ) (DR) (DS) (DT) (DU) (DV) (DW) (DX) (DY) (DZ) (EA) (EB) (EC) (ED) (EE) (EF) (EG) (EH) (EI) (EJ) (EK) (EL) (EM) (EN) (EO) (EP) (EQ) (ER) (ES) (ET) (EU) (EV) (EW) (EX) (EY) (EZ) (FA) (FB) (FC) (FD) (FE) (FF) (FG) (FH) (FI) (FJ) (FK) (FL) (FM) (FN) (FO) (FP) (FQ) (FR) (FS) (FT) (FU) (FV) (FW) (FX) (FY) (FZ) (GA) (GB) (GC) (GD) (GE) (GF) (GG) (GH) (GI) (GJ) (GK) (GL) (GM) (GN) (GO) (GP) (GQ) (GR) (GS) (GT) (GU) (GV) (GW) (GX) (GY) (GZ) (HA) (HB) (HC) (HD) (HE) (HF) (HG) (HH) (HI) (HJ) (HK) (HL) (HM

White Paper
£31m more

NEWS

Doctors depressed by health service failures BMA tells royal commission

If some rationalization cannot be achieved the responsibility for modifying public expectations from the service must rest with Government. "The medical profession must not be compelled to continue to accept the hostility which the public feels when denied what it regards as its reasonable requirements for medical service."

The failure, the BMA says, is in quality and quantity. As disclosed last week, the evidence, which will be debated by 60 representatives of the profession in March, makes suggestions on methods of financing the service, possible charges and the need for an urgent review of medical manpower.

The association says that because from time to time it has been in dispute with the Government about the health service a myth has been propagated that the profession, and the BMA in particular, always opposed the concept and creation of a national health service.

In fact, it says, the association was in favour of such a service long before the NHS came into being, and its fundamental features were first proposed in a series of documents of which doctors were the authors.

Discussing the quality of the service, the BMA rejects the idea of any medical audit by the state. There is no need for further supervision of a qualified doctor's standard of care. There is evidence, it says, that in the United States the expense of medical audit is not justified by the findings. The association argues that

the dangers of medical audit are excessive rigidity, discouragement of individuality and new ideas, interference in clinical freedom and disregard of the doctor's duty of confidentiality towards the patient.

The proposed hospital complaints procedure would undermine the patient's confidence in his doctor.

The disproportionate attention given by hospital authorities to ensuring that patients are made aware of the complaints procedure is very significant, the association says.

The increasing number of health staff who have access to medical records has created problems of confidentiality, and the introduction of computer records has raised additional difficulties, to which careful consideration must be given.

Coordinated services for the care of alcoholics are needed, with earlier identification of victims and more effective follow-up services.

The BMA says it is in the interests of patients that there should be a private sector of medical care to complement the NHS. The profession is strongly against any suggestion of a need for a new health service worker such as a physician assistant or nurse practitioner.

In a chapter on overseas doctors the BMA says the dependence of the NHS on their services has become excessive. Their importance to the service cannot be over-emphasized but a disturbing trend has been that in the late 1960s a significant number were admitted into practice in Britain although they were relatively unsuitable be-

cause of their basic medical training.

When that was aggravated by language problems and difficulties of adaptation to an alien culture, it led to instances of unsatisfactory service to patients. In turn that resulted in an unfair reaction against more skilled and able colleagues.

The association believes there should be an extension of the Temporary Registration Assessment Board's test to include a clinical component. Those who passed the test should be subject to an absolute time limit of five years on the temporary register. Any doctor wishing to stay in Britain longer, or to become permanently established, should pass a full qualifying examination equivalent to that for British graduates.

The BMA says the profession opposes any suggestion of audit of standards or cost control of treatment by such a body.

It calls for an energetic research campaign into tobacco substitutes for nicotine rather than a substance to be smoked. It estimates that the total cost of smoking-related disease costs far more than the revenue collected from tax on tobacco.

From the medical point of view, a severely differential tax between cigarettes on the one hand and cigars and pipe tobacco on the other would encourage a reduction in cigarette smoking and reduce the incidence of lung cancer and other diseases.

The evidence is published in the *British Medical Journal*.

Girls who put nitrate in head's tea cleared

From Our Correspondent Chesterfield

Three girls, aged 15, who were said to have put silver nitrate in their headmaster's tea after being disciplined, were cleared on a legal point at Chesterfield Juvenile Court, Derbyshire, yesterday.

The girls all pleaded not guilty to unlawfully and maliciously causing the headmaster to take silver nitrate, with intent to injure, aggrieve or annoy. Two of them admitted stealing a pinch of the nitrate worth 13p and were placed under supervision orders for two years.

But after a defence submission by Mr Geoffrey Hand that the diluted silver nitrate was not noxious or harmful, the magistrates ended the hearing. The court was told that silver nitrate is not on the registered list of poisons.

Miss Jean Hamlyn, chairman, said: "We find there is no case to answer on a technical point of law based on the interpretation of the word 'noxious'. We are satisfied that the girls had every intention of taking revenge on their headmaster but because of the dilution of the substance their action has fallen outside the criminal law."

One of the girls' mothers was said to have delivered a letter of apology to the headmaster, which read: "I am sorry for what happened this afternoon. I am glad to hear you are all right."

Delay in announcing arts aid criticized

By Kenneth Gosling Arts Reporter

Mr Roy Shaw, secretary-general of the Arts Council, yesterday criticized the Government for taking too long to announce the arts grant-in-aid for 1977-78, and gave a warning that it would cause confusion for the council's two thousand clients.

He said there was even greater concern for 1978-79. The Government had announced in its public expenditure White Paper that there would be a £2.2m cut for the arts in real terms then.

After the council's monthly meeting Mr Shaw referred to the investigation of arts financing undertaken by Mr Lever, Chancellor of the Duchy of Lancaster, which, he said, had "disappeared without trace". The Government had said the grant for 1978-79 would be subject to Mr Lever's report.

Cuts in the government grant to the Arts Council would inevitably mean cuts in grants to clients. "I can only hope protests will be directed to the proper address, the Government, and not the piggy-in-the-middle, the Arts Council."

The council had asked for enough to cover all known needs. It was accepted that a 21 per cent increase would be needed in the coming year, raising the total from £36m to £43m, in order to stand still.

Mr Shaw did not think the arts should be subject to cuts; they received only a small and already inadequate sum.

The Lever report, commissioned by Sir Harold Wilson when he was Prime Minister, will not be published, Mr Callaghan said in a Commons reply last month. He has made clear that the Government cannot devote the resources to the arts that it would like to, and referred to the encouragement of outside support, including business sponsorship.

Moderation in racial speeches urged

By Peter Evans Home Affairs Correspondent

No one should be prevented from expressing views on race relations provided they are in the language of normal moderation. Mr David Lane, chairman-designate of the new Commission for Racial Equality, said yesterday.

"What has done damage to race relations in the past", he told the Derby Council for Community Relations, "is unnecessarily lurid and extravagant language, such as that of Mr Powell at Manchester last week."

Mr Powell had used the analogy of warfare and spoken of "friend and foe" and of "the occupation of key areas and of key functions in the heartlands of the kingdom", by coloured people.

Mr Lane said that in the same speech, Mr Powell talked of "heroic measures" to avert the gloomy consequences he foresees, but did not specify them. He gave warning of a threat to free speech, Mr Lane added, "but this is not the first occasion on which he has failed to use his present freedom of speech to explain exactly what solution he has in mind. Instead of spelling it out, he takes refuge in enigma."

The debate about race relations might go off the rails if those taking part in the debate — whether white or black — persistently used inflammatory language, thus making racial harmony suffer.

John Stonehouse can go to Lords

John Stonehouse, the former MP, can ask the House of Lords to consider hearing his appeal against his conviction on five attempted insurance frauds, the Court of Appeal, which dismissed his appeal on Tuesday, decided yesterday.

Lord Widgery, Lord Chief Justice, sitting with Lord Justice Waller and Mr Justice Ackner, said there was a point of public importance.

No appeal by Singapore

The Singapore Government will not appeal against a London court's decision that Mr James Slater had no case to answer on charges brought against him on official of the Attorney General's office said in Singapore yesterday (AP reports).

"We have no formal right to appeal because there is no provision in the Fugitives Offenders Act", he said.

Prescriptionists write it prescriptions

Services

In practice of doctors or other d by family to repeat pre-ugs is criticized central Society the Royal Com-National Health

quently done at the patient, it ny cases led to use without toring of the e doctor. Add- prescriptions raff contained of them dan-

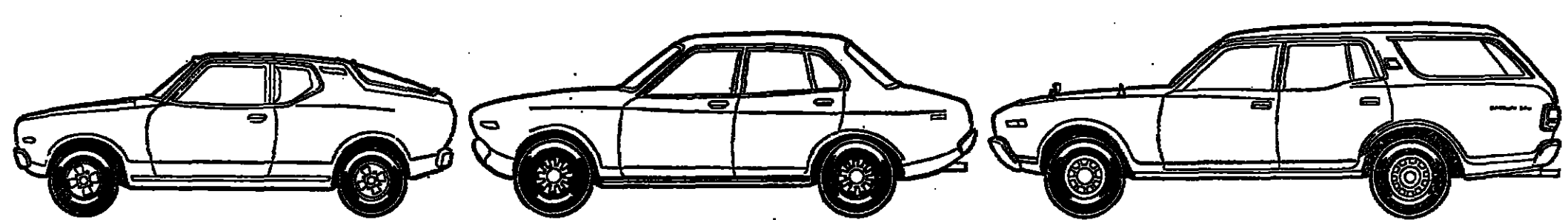
to be published tenth of 86,498 signed by 116 been written by than the signing vere written for ts, particularly are for drugs to rm disorders, e acting on the

central nervous system. They included psychotropics and pain-killers.

Of the prescriptions completed and signed by the doctor, three quarters were considered to have adequate prescription details, compared with only 51 per cent written by ancillary staff: 32 per cent of the latter contained no instruction to the patient on how and when to take the medicine.

The society says the nation's £400m drug bill could be much reduced if doctors had to fill in on a prescription the length of treatment and the daily dose.

In general the society's evidence suggests that the pharmacists' place in health care should be given greater recognition. It suggests that a significant part of the National Health Service remuneration should be in the form of a new payment to recognize the pharmacists' availability and his total contribution to primary care throughout the day.



This year, next year, and 100,000 miles on, Datsun reliability pays dividends.

It's not just the cost of buying a car that counts... it's the bills you could face afterwards.

And that's where Datsuns proven reliability can really pay you cash dividends, whether you drive 5,000 or 50,000 miles a year.

Because Datsun build cars so carefully, and test them so thoroughly, you can expect reliability, rather than garage bills.

"Motor" magazine in a survey of the 20 top selling cars, found Datsuns the most reliable of them all.

The letters we get from Datsun owners, as you can see below, say roughly the same sort of thing including fleet owners who are delighted with the trouble-free, low cost motoring they get with Datsun.

A nationwide consumer survey showed that "far fewer" Datsuns spent time off the road than other cars, which, of course, meant that they were cheaper to maintain. In fact, AA's Drive magazine in a survey of 24 popular cars reported that the Datsun Cherry and Sunny were the cheapest on servicing and repairs.

With some other cars you will get an "early life" guarantee that may help you with the cost, but not the inconvenience, if your car breaks down in the first year, six months or maybe only 6,000 miles. After that, you're on your own, paying all the breakdown bills out of your own pocket!

With Datsun, you start collecting dividends on the very first day, with an unlimited mileage guarantee for 12 months which shows how confident we are in our product however far you drive. In addition you get the promise of years of reliable motoring, instead of inconvenient and costly trips to the garage workshop; fuel economy and low running costs; the masses of valuable "extras" that are part of the package... and the sheer peace of mind in owning a trouble-free motor car.

Already around 300,000 motorists in this country are driving Datsuns, and collecting the dividends that Datsun quality and reliability can give, year after year.

This year... with next year in mind... wouldn't it pay you to join them?

* Mrs. Joy Gordon, Ramsgate, Kent: "My Datsun Sunny Coupé has now done 181,000 miles. I travel 200 miles daily and have had no mechanical failures other than a replacement alternator. Reliability is the key factor and in the Datsun I have found it."

* Mr. Bob Davis, Air Call Communications Ltd., Dunstable, Beds: "We have over 80 Datsuns in the U.K. equipped with radio telephones in use 24 hours a day doing very high mileage sometimes on emergency medical calls. We have tried other cars and came back to Datsun because we must have the reliability and low running costs."

* D. L. Epps, Near Tonbridge, Kent: "I own a 1972 Datsun Bluebird 160B which I have now driven for over 98,000 miles. When I bought this car, I gambled that it might turn out to be reliable and economical. On both counts it has exceeded all expectations... I cannot praise this car enough."

* Mrs. A. Brennan, Huddersfield (Bluebird 180B SSS): "We are delighted at the apparent absolute reliability of this vehicle. It is marvellous to set off on a journey feeling so confident."

* W. Lock, Lock School of Motoring, St. Ives, Cambridgeshire: "My 1973 Datsun Sunny has covered 218,275 miles and is still running well on the same engine. It has not had an easy life, being a driving instructor's car for four years. Thank you for a car which has given such a wonderful service, a car which cannot be beaten."

* Mrs. B. Spencer, Spencer Driving School, Old Alresford, Hants: "My Datsun Sunny has 125,000 miles on the clock and is still going very strong. I had to tell you what a wonderful car it is."

* The Gilpin Group, Leeds (Hotellers and Caterers): "We have been using Datsuns for four years and have a fleet of 15, mainly estate cars, and they are thoroughly reliable and trouble-free. Our cars do a high mileage and we are well satisfied with Datsun."

* G. Davies, Snowdon School of Motoring, Caernarfon: "My Sunny 4-door saloon has done 158,000 miles and has never let me down. The first replacement was a new clutch plate at 147,000 miles. I go out in the morning and I know I am going to do a full day's work."

* Robin West, Sevenoaks, Kent (Two Cherry saloons 133,000 miles): "Thank you for three years happy and trouble-free motoring. Not only have all my miles been pleasure motoring—they have also been most pleasurable."

* L. H. Oddy, Marshfield, Dorset (1973 Datsun Sunny 73,126 miles): "Replacements have been minimal—one thermostat at 59,180 miles, exhaust silencer, 64,002 miles, one radiator top hose. Apart from these, only normal service requirements were necessary."

* Miss Olive Giles, Taunton (Datsun Sunny): "I recently took delivery of my third Datsun. I cannot praise too highly the performance of these cars and their reliability."

* K. Min, Eastbourne, Sussex: "My Datsun 100A 2-door Saloon has given perfect service. It is completely reliable and has given me no trouble whatsoever. Over 18 months it has averaged a staggering 46.1 mpg."

* The Tudor Plant Co., Caistor, Lincs. (Civil Engineers and Oil Rig Construction Company): "We are 100% Datsun in our car fleet because we found them to be the most reliable. They are used by our engineers and are given an incredibly tough life around the inland drilling platforms and oil rigs."

* E. R. Eastwood, Atlas Driving School, Selby, Yorks: "My Datsun Sunny has completed 98,000 miles, being driven constantly by learner drivers, which can be very demanding on any vehicle. It has only let me down once, when the starter motor failed, and is still providing me with excellent service."

* C. W. Heath, Heath School of Motoring, Wivelsfield Green, Sussex (100A Cherry, 74,000 miles): "This car is on the road every day, approximately 8 learners a day... I consider the engine has done more like over 100,000 miles... as there has been so much low gear and clutch work. My only replacement has been an exhaust pipe and this was due to a pupil ditching the car. Since the war I have owned over 30 cars, and this has been the most reliable I have ever had."

Datsun: the investment that pays dividends.



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Over 100,000 landowners criticized

By Our Agricultural Correspondent

Defence of rural interests against damaging laws is hampered by lack of information about the land, a report by the Royal Institution of Chartered Surveyors, published yesterday, says.

Professor Donald Denman, of the department of land economy at Cambridge University, who helped prepare the report, told reporters in London: "I could write a very nice little essay saying how the land was owned under William the Bastard. But I could not do it for Elizabeth II."

"Until we can find out who owns the land in Britain we are all in the lark. There are lobbyists reared to nationalize the whole land. They have been at it for years and they want to pull it over our heads."

The report says that capital taxation would break up estates, while the Government wants to encourage larger and more efficient farming businesses. British farm structures has improved for 30 years and is now "the envy of the EEC".

Planning for land use outside farming has been given excessive priority against the management of land for food production, the report says. It points to a conflict between the Government's desire for greater food output at home and a growing demand for land for leisure pursuits.

Mr. R. G. Ferens, who helped compile the report, said: "Food production interests are not given enough priority in our urban society." The views of the Ministry of Agriculture, Fisheries and Food of safeguarding national food supplies, should be given more weight in planning decisions.

Rural pursuits should be integrated so that any estate management policy should include nature conservation, Mr Ferens said. Integration was often essential. More than a quarter of the income of upland estates came from shooting, fishing and stalking, which were compatible with farming needs.

The Future Pattern of Land Ownership and Occupation (RICS, £1).

Corrections

The concert on May 29 to celebrate the Liberal Party's centenary will be given by the Birmingham Symphony Orchestra in the Albert Hall, London, not in Birmingham as stated yesterday.

Access is not a cheque-guarantee card, as stated in an article on January 21, but it may be used to withdraw up to £30 from an Access account at any of the participating banks.

Take

have been ex- sale of the south estate, d, Gloucester- can buyer (our agent writes), been disclosed, finally in the 100.

HOME NEWS

Threat of demolition for 40,000 older houses in Manchester

From John Chartres
Manchester

Manchester's housing department, which proudly announced the end of its slum-clearance programme last year, may have to demolish up to 40,000 homes that it had hoped to renovate and preserve.

That warning was given yesterday by Councillor Allan Roberts, chairman of the city council's housing committee, after inspecting rows of late nineteenth-century terraces in the Beswick area.

He and Mr Graham Goodhead, director of housing, said the low level of government grants for restoration and improvement, and long administrative delays in approving grants, with an unexpectedly rapid deterioration of older property, were bringing about the present situation.

Tenants and owner-occupiers of 320 houses in the area visited yesterday are 90 per cent in favour of the terraces being demolished and of the occupants being rehoused in council accommodation according to a poll taken by a residents' organization.

That is in direct contrast to the attitude prevalent only two or three years ago when Manchester's clearance programme ran into many objections and demonstrations from residents of the old streets who did not like being disturbed.

Many of the houses visited yesterday showed signs of

damp, with cracking walls and window frames. Most of the occupiers said they had once been proud of their homes, but were now losing heart.

Housing officials said one of the reasons for the rapid deterioration of property of that type was "blight" associated with demolition work near by; but the fundamental problem was the size of government grants, providing an average of less than £3,000 a house when about £5,000 was needed to be spent either by the owner or the corporation if the latter took over the property for modernization.

Tenants and owners in the Rylands Street area of Beswick are also looking anxiously at new low-rise homes recently built by the corporation on the adjoining Orme Street site.

Mr Roberts said: "We have demolished more than 82,000 slum dwellings in Manchester. Now, just when we thought we had finished with large-scale clearance we shall have to consider yet another compulsory purchase order."

With the present government emphasis on inner-city redevelopment, the present situation in Manchester was a warning to Westminster of the need for sufficient grants and subsidies for the improvement of older houses are forthcoming we may well have to demolish many of the 40,000 such homes in the city we were hoping to modernize," he said.

Derelict acres bought for shops and concert hall

From Trevor Fishlock
Cardiff

Cardiff City Council's ambition to escape from embarrassment over unsightly empty land in the city centre is much nearer to realization. For 20 years the council has seen development plans come to nothing. Now it has agreed to spend almost £3m to buy eight acres of land that will open the way for a £20m development, including department stores, shops and a concert hall.

The project is a much reduced phoenix rising from the ashes of an ambitious scheme which was put forward several years ago, but proved too expensive.

The fact that land in the centre of the city has been

empty so long is regarded by many councillors and citizens as disgraceful. The council is anxious that development work should start next year, although the project will still leave some land derelict.

The development consortium is led by the Heron Corporation, which will put £10m into the project. Boots will put in £2m, Woolworth £1m and Debenhams £1m. The building a new store, from the Heron Corporation has asked for a four-year delay before starting but that has been refused by the council.

The scheme has been criticized by some councillors and others as a bad bargain for the city. They say the return on the council's investment will be small.

Jailed PC 'victim of injustice'

The jailing of a policeman for "kneeing" a man who had just punched him on the nose was a serious miscarriage of justice, a judge said in the Court of Appeal yesterday. Roger Hill, of Runswick Road, Brixton, London, a former constable, was freed from his three-month sentence, of which he had served nine days.

Lord Justice Ormrod said: "The sentence is wholly inappropriate. He should not have been sent to prison. We make a conditional discharge to make it clear to all concerned in this young man's future the view we take of the offence."

Mr Hill, aged 24, pleaded guilty at Bristol Crown Court on January 18 of assaulting a man. He had since left the force.

The judge said that when Mr Hill was at a discotheque with another officer and their wives he was punched on the nose by a man. When the police arrested the man he was continued to shout abuse, and Mr Hill, "exasperated and out of control for a moment, knelt him in the crotch."

Four accused of £360,000 raid offences

Four men appeared at West London Magistrates' Court yesterday, charged with offences linked with bank raids in which more than £360,000 is alleged to have been stolen.

John Charles Short, aged 37, horse dealer, of Hollingsworth Road, South Croydon; Gerald Simmonds, aged 34, unemployed, of Wulstan Street, Shepherd's Bush; William John Ferguson, aged 34, motor trader, of Randolph Avenue, Meidley Vale; and Derek Thomas, aged 34, salesman, of Webster Row, Southwark, were remanded in custody until February 3.

Mr Short is charged with robbing Security Express employees of £237,736 at Barclays Bank, High Road, Ilford, Essex on February 9, 1976, and of robbing Dominic Reid and others of about £2,000 at the Allied Irish Bank, Hammer-smith, on November 25, 1976. He is further alleged to have been in possession of a sawn-off shotgun and ammunition with intent to endanger life.

Mr Short and Mr Simmonds are charged with robbing John Behan and others of £47,000 at the Midland Bank, Wembley Park Drive, Wembley, on June 30, 1976. Mr Short, Mr Simmonds and Mr Ferguson are charged with robbing Noel Lazenby and others of £75,000 at the Allied Irish Bank, Hammer-smith, on September 9, 1976.

Mr Ferguson, Mr Thomas and Mr Simmonds are charged with giving Mr Short assistance and accommodation with intent to impede his apprehension or prosecution, alleged to have occurred on September 9, 1976.

AA recruits 400 more patrolmen

The Automobile Association will spend £5m this year to recruit 400 extra patrolmen and to add 236 vehicles to its patrol fleet. Mr Alec Dorie, the director general, said yesterday that the association would recruit 3,200 by the end of the year compared with 2,200 in 1973.

He said the association recruited 800,000 new members last year. Membership was now 5,300,000.

Dearer eggs

Egg prices will rise next week, according to Goldenlay, the largest egg-marketing body in Britain. It said yesterday that prices of all grades would go up by 3p a dozen.

Gangster-style contract for wife's murder alleged

From Our Correspondent
Leeds

A man tried to put out a gangster-style contract for the murder of his wife. It was alleged at Leeds Magistrates' Court yesterday.

Harry Baskind, aged 47, of Nunroyd Road, Leeds, was remanded in custody until February 3. He was accused of two offences of soliciting men to murder his wife. The first attempt was alleged to have taken place on January 7 and the second on Wednesday, this week.

Mr John McCandlish, for the prosecution, said Mr Baskind's wife left him for another man 18 months ago, after they had been married for seven years.

At home with the countess at Mentmore

From Philip Howard
Mentmore

The Dowager Lady Rosebery conducted a tumultuous guided tour of photographers and reporters around the treasures of Mentmore Towers yesterday, with a charm and chattiness as if to the manner born. It would evidently have been worth the Government's while taking over the great mode English Renaissance wedding cake of a house in lieu of death duties, provided it could retain Lady Rosebery as official guide.

Welcoming her visitors in the dining room, with its walls covered with Genoese cut velvet of an early sixteenth century, she said: "It is jolly nice of you all to come. I had hoped that this house would go to the nation. And I do not understand why the Government could not have taken it over and sold a few bits of furniture to finance it."

"We won't talk about valuation, because that makes it rather horrid. But just one piece of the French furniture is valued at £300,000."

The contents of the house constitute one of the finest collections of French furniture in the world, taking no account of the Sevres porcelain, the Rembrandt and other paintings, the tapestries, the Limoges enamel and rest. They are valued at many millions of pounds, and will be auctioned by Sotheby Parke Bernet in a series of auctions at Mentmore in May, which will become one of the great house sales of the century.

Mentmore was built by Sir Joseph Paxton between 1851 and 1859 for Baron Meyer de Rothschild, whose daughter



Lady Rosebery seated on a Venetian chair from the Doge's palace, at Mentmore Towers yesterday.

Hannah was the mother of the late Earl of Rosebery. Baron Meyer was one of the master connoisseurs and collectors of the nineteenth century.

Lady Rosebery quoted him as asserting: "It is much cheaper to buy French eighteenth-century furniture than to go to Naples."

What would happen to the house now? someone asked in awe. Lady Rosebery replied: "Oh, sink it. It could become a lunatic asylum. It could be a health resort, and then I could come and stay here."

A local reporter asked why it could not have become a cultural centre for the adjacent new town of Milton Keynes. Lady Rosebery replied briskly: "People who like the awful houses they are building at Milton Keynes will not be interested in a place like this."

The pack surged around her into the grand hall to admire the Gobelin tapestries of the four seasons; the vast carpet from Versailles; the early Erard piano; and the Rubens fireplace, which has a reserve of £250,000 on it and for which the city of Antwerp has made repeated offers. Lady Rosebery explained: "We could not let it go, because what on earth would we put in its place?"

In Lord Rosebery's study she opened up the Augustus Rex cabinet, a secretaire bookcase of 1755, made for Augustus, Elector of Saxony and King of Poland, known as Augustus the Strong. It is a rococo masterpiece of gilt and carving valued at more than £200,000.

One of Lady Rosebery's friends, ignorant of the asymmetry of rococo, once said that she supposed it must be

worth it, provided she still had the missing pieces.

On the staircase Lady Rosebery remembered an anecdote about the Gainsborough of greyhounds coursing a fox. In 1938 they had nowhere to hang it, and her husband accordingly offered it to a friend for the £1,500 he had paid for it, on the ground that sporting pictures were increasing in value. The friend refused the offer, saying: "But cruel sporting pictures have not appreciated."

A few years later Mellon offered £40,000 for it. Today it is valued at £250,000.

The tour lasted for two hours but only skimmed the surface of the beauties and wealth of Mentmore: the Marie Antoinette silks in the Du Barry room; the Drouin portrait of Madame de Pompadour; "a tremendous lot for France, and I dare say, for the king"; the Boucher of Apollo and Cupid; the lavatories with plumbing as majestic as Niagara, and walls calf-skinned to the ceiling with bound volumes of *The Gentleman's Magazine*. Melancholy as well as mercenary sale-room excitement hangs over the dispersal of so rich a collection meant to be lived with, which was at the centre of Victorian political life and high society. Somebody could relax in such grand surroundings. "I can relax anywhere," she said. How many servants did she need to run it? "I have seven, but I call it 32 years. And they are coming with me to my new home in Aylesbury."

Tory plan to improve education

By Tim Devlin
Education Correspondent

The Conservative Party yesterday launched its counterblast to the Government's national debate on education with a year's programme devoted to the raising of standards of education in schools.

The party is to hold regional conferences to discuss education in Manchester, Birmingham, Southampton and other places yet to be decided.

In May they plan to hold a series of four lectures at Westminster from educationists, not all of them notable for supporting the Tory Party line. The lecturers will be Lord Vaizey, who was created a life peer on the recommendation of Sir Harold Wilson; Professor Ralf Dahrendorf, Director of the London School of Economics; Mr Thomas Howarth, senior tutor at Magdalene College, Cambridge; and Mr John Izicki, Education Correspondent of *The Daily Telegraph*.

The Conservative Party also hopes to encourage local groups concerned with educational standards to meet throughout the country.

It is holding a conference with industrialists to strengthen links between school and work. It hopes to launch a campaign soon to revive religious education, which it will act as a study into comprehensive schools.

Mr Norman St John-Stevens, opposition spokesman for education, science and the arts, told a conference in London to launch the campaign: "We want to turn the discussion on education back to the aims and the philosophy of education. We want to see discussions on the curriculum as part of a continuing dialogue. We want the Department of Education and Science to take responsibility for promoting standards in schools, but we are against a centrally controlled curriculum."

Helping Mr St John-Stevens, Mr Rhodes Boyson, deputy spokesman on education, will be in charge of schools. Mr Keith Hampson, vice-chairman of the Conservative Parliamentary Education Committee, will supervise higher and further education and will act as liaison between Conservative local government and Conservative local government.

Mr William Shelton, MP for Lambeth, Streatham, will look after standards in education. Sir George Sinclair, MP for Dorchester, will be concerned with the independent schools.

Other members of the team are Mr Nicholas Winterton, MP for Macclesfield; Mr Nigel Forman, MP for Sutton, Cambridgeshire; and Mr Robert Cooke, MP for Bristol, West.

Open university chancellor and window cleaner among 5,800 latest graduates

By Sue Reid, of *The Times*
Higher Education Supplement

Lord Gardner, the former Lord Chancellor, now Chancellor of the Open University, and a window cleaner, were among the 5,800 graduates from the university this year, it was announced yesterday.

He took up his studies after becoming chancellor in 1973 and has gained a BA ordinary degree alongside a window cleaner, fireman, radiographer and staff nurse.

Nearly a quarter of this year's new graduates joined the Open University with less than normal university entrance requirements. However, Lord Gardner, aged 76, gained a fourth-class law degree at Magdalene College, Oxford, in the 1920s and consequently took only three course credits, in patterns of inequality, understanding society and decision-making in Britain, instead of the normal six, to complete the degree programme.

He said yesterday: "I have never been very bright and I do not consider that I have a first-class brain but I always wanted to learn more. I became a window cleaner, and then being appointed chancellor because I wanted to understand about the university."

Lord Gardner, who used spare moments at the House of Lords to pursue his course studies, attended the ceremony at the university's summer school and used a Post Office alarm call to wake him for early-morning lectures on radio and television.

More than a tenth of this year's graduates were in manual and service occupations, compared with 9 per cent in 1976. Almost two fifths of successful students were women.

The group was the university's largest in any one year to graduate. It brings the total of graduates to more than 21,000. Three fifths of the latest

graduates are aged under 40 and another quarter between 40 and 50.

Mr Frank Morgan, aged 59, of Bolton, has been a window cleaner for 30 years. He left school at 14 and earned 16 shillings a week in his first job. He has just graduated in arts and social sciences.

"My family thought I was aiming a bit too high in joining the university," he said yesterday. He does not intend to change his £50-a-week job.

Sir Walter Perry, the university's vice-chancellor, said that one in 14 of new graduates in Britain were coming from the Open University. About 4,150 graduates with ordinary degrees had gone on to gain honours degrees.

The honours degree had been recognized by the British Psychological Society, he said. Certain graduates would be eligible for graduation membership of the society, allowing them to take higher degrees in psychology.

Ordination of women leads vicar to resign

From a Staff Reporter
Cardiff

A vicar announced his resignation from his living yesterday because he is opposed to the ordination of women.

The Rev Clive Loosemore, aged 39, who has been Vicar of Beddington and Trelewis, Mid Glamorgan, for seven years said he would leave the Church in Wales next month and seek to become a Roman Catholic priest.

He is a member of the Council of Catholic Churches in Wales, which opposes the ordination of women. He said neither the scriptures nor church tradition allowed women to be priests.

Collector stole 182 butterflies

John Proctor, a butterfly collector, stole 182 specimens valued at more than £3,000 from the Victoria and Albert Museum over a seven-year period, to add to his collection, it was stated at Horseferry Road Magistrates' Court, Westminster, yesterday.

Mr Proctor, aged 36, a bank clerk, of Oaktree Road, Knap-hill, Welwyn, Surrey, was remanded on bail until February 24 after admitting the theft and obtaining £215 by deception.

Aerosol safety rules

Safety regulations are to be introduced for aerosol dispensers, Mr Fraser, Minister of State for Prices and Consumer Protection, said in a Commons written reply.

School pupils discuss Ulster peace

From Christopher Walker
Belfast

A potentially significant development in the Ulster peace movement took place yesterday in the sixth-form centre of Methodist College, one of Belfast's best-known schools.

After lessons had finished for the day 130 pupils aged between 15 and 18, from 41 Protestant and Roman Catholic schools, some situated in the most violent districts, attended the first inter-school peace conference. In Belfast, schooling is strictly segregated by religion.

It demonstrated courage on the part of the young participants, who were aware of the hostility felt towards the peace campaigners in some republican and "loyalist" areas.

The conference, planned as the first of a series, was organized by three pupils from the Methodist College: Neal McMillan, a 16-year-old, and Sheelagh Morrow, 17, and another of the peace movement, which is experiencing difficulties, they believe that segregation is one of the main reasons for the continuing violence.

Miss Hyman, aged 18, said: "The idea was to bring schoolchildren who had never met anyone from outside their own environment into contact with pupils from other schools. Among proposals put forward were the 'twinning' of schools and the establishing of community schemes involving young people of both religions."

A plan to put the inter-school peace movement on a permanent basis, with a school nominating at least one representative, was discussed.

One of the co-founders of the Peace People, Miss Mairead Corrigan, has given talks in about 15 Protestant and Roman Catholic schools all over Ulster in an effort to encourage them to set up peace groups.

Detective murdered: The Provisional IRA was blamed for some violent attacks in different parts of Northern Ireland yesterday, including the murder of an Oxford University student, who was delivering his car for service.

Det Constable Patrick McNulty, aged 30, died after machine-gun bullets had been fired through the window of his car by two terrorists in the centre of Londonderry. The vehicle used by the terrorists was later found abandoned in the republican Bogside district.

A republican was seriously wounded in another ambush in a remote lane near Kileara, Londonderry, while on his rounds.

The Provisionals claimed responsibility for a bomb which exploded at the Ulster Polytechnic, on the outskirts of Belfast. No one was injured but the common room in a hall of residence was wrecked.

Cover-up hunt for boy's kill, father says

A verdict of manslaughter yesterday by a jury in the inquest of Enri aged 15, who died after being held in water at the Parlia Lido, Hampstead, 1 July 1 last year, by Prince of Wales Road.

After the inquest, the boy's father, Antonio Sidoli, critic investigations of a friend, called, he alleged.

Deborah Smith, a Hows Street, Beth told the inquest that seen two youths attract her attention to a built boy with dark across to another boy, who shouted back. The first another man, ran across Enrico Sidoli, who I pool.

"They jumped in him, and held him in short blond-haired boy with them just laughed. One sat on the other caught up. The boy managed to top, but they put his he went right down bottom."

The girl said she picked out one of the police identity cards. Der Chief Insp Clement told the court that he identified a chief: Director of Public decided not to prosecute.

The suspect, who nationally suborned conflicting statements police in four before admitting he in the incident. But assess had failed to out of an insanity.

In his final statement, youth, who has not been alleged to have did it, I didn't mean boy. It was an accident pretending to push not actually doing tended to push him his balance and we were struggling to surface.

"He had hold of wouldn't let it go, struggling, but he of the grip and bottom. I got scared and got distressed."

Dr Hugh Johnson said, "I was told of an irreversible brain damage."

Strategy between T and emplo

By Our Labour Ed

TUC leaders in the CBI for a work discuss the Government trial strategy and for wages when phase of pay rise is at the end of the year. Fidelity talks took employers' offices; it ter. No statement afterwards.

The meeting, in TUC's representative National Economic Council and top 1 was said to be a balance in the light of next Tuesday being Chancellor and the the next round of in.

The CBI is arguing increases in be low as 3 per cent with another 2 or 3 flexibility has been confidence 1 will agree to not voluntary restraint shape of any new determined by the which the Govern accommodate a clear insistence a return to collective beginning later this

Workers building si

Two hundred workers, including Tomlinson, a for Shrewsbury picket, Panton's holiday, called the site at Farnham, Wales, yesterday an "under worker" contractor, Ambrose subsidiary of P issued warning not to work on the site. The work the management of introduce "lump" 1

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Parliament, January 27, 1977

Attorney General still identifies he came to correct conclusion

Attorney General Sir Michael Havers, in a statement to the House of Commons, said that he had received information from the Attorney General's Office that the information available and on the basis of the evidence received by the Attorney General's Office, he had reached the conclusion that the information was correct.

One was where the Attorney General had no special interest beyond that of any other member of the public. The other was where the Attorney General was required to restrain the defendant from committing a criminal offence. Both circumstances were present in this case.

In his decision whether to grant such an application, the Attorney General is not confined to considering the merits of the case. It is his duty also to consider broader issues of public interest and to base his conclusion on where the balance of public interest lies.

If the Attorney General grants the application the courts will normally assume that the public interest in the case is such that the Attorney General's decision is to be followed.

Any member of the public, even without a serious interest, may bring a criminal proceeding without any special interest. For this reason, the Attorney General's decision is not binding on the courts.

The Solicitor General in 1969, Lord Simon of Glaisdale, explained this to the House, following the Harris case. The present was a case of a criminal law, which in this case gave an offender against Section 58 of the Official Act the safety of a right to trial by jury had not been involved.

Thus the grant of my consent would amount to a departure from well established principles applied by the courts. It would be a departure from the principle of a member of the public who, if an offence had been or were to be committed, had the power to intervene.

And as the week of action was not due to start until midnight on the Sunday following, it was not necessary to take any action. Whether the Post Office workers would be heeding their employer's warning that they would be committing criminal offences if they followed the union's instructions.

On the Monday morning the Post Office took the view that offences were being committed, it would have various ways of bringing the matter before the courts and those methods would not necessarily need my consent.

On the face of information available to me and in my judgment, the taking of injunction proceedings in my name had the inherent risk, at this early stage, of inflaming the situation before the need for it was demonstrated and well result in breaches of the law and inconvenience to the public over a much wider area than the area affected by the criminal law.

This possible reaction to court proceedings based on a criminal offence was all the more real in the light of the fact that the Conservative Government in the House of Commons, in 1971, had, for very good reasons which were fully stated by the Solicitor General of the day, Mr. Geoffrey Howe, in the criminal law the principal existing provisions making industrial action a crime.

And whether for that reason or not, it had not taken action in the virtual identical circumstances prior to the French nuclear tests in 1973.

Whether the wording of Section 58, whose origin was in the Act of 1926, was deliberately excluded from the 1971 amendment, and, if so, why, I do not know, but when originally enacted it was certainly intended to deal with industrial union activity in industrial relations.

In all these circumstances and giving full weight to the importance of the criminal law, I concluded and I am confident that I was right, that the balance of public interest was against giving consent to the proposed injunction.

My decision, I am sure, was a negative result. The Treasury Counsel to the light of all the information available to me and in my judgment, the taking of injunction proceedings in my name had the inherent risk, at this early stage, of inflaming the situation before the need for it was demonstrated and well result in breaches of the law and inconvenience to the public over a much wider area than the area affected by the criminal law.

Lord Justice James had recommended the provisions of this clause. He had had great knowledge of the courts at all levels, and would have been dismayed and shocked at the delay and outside the House, of the quality of justice administered in the magistrates' courts.

It was not perfect, but it was of high quality. Recent statistics did not show that magistrates' courts were more prosecution-minded than the Crown courts, and which have been expressed strongly in the Commons, and public comment from all quarters of the political compass, that apparently at all costs this right trial by jury for small thefts must be maintained.

Independence of Parliament as fundamental as that of courts

Sir Michael Havers, Opposition spokesman on the Law (Merton, Wimbledon, C), questioning the Attorney General's statement, said: Nothing he has said will allay the suspicion of a political use of the discretion by the Attorney General (Conservative cheer).

To use the words of one of the Lord Justices, it was as "clear as a pike staff" that a breach of the criminal law was threatened.

For reasons he has given, and which we will consider later, when in fact he refused his consent to the proposed action by the Attorney General, why did he not announce at the same time that in his view the proposed action by the union was clearly illegal thus tending the authorities to have no bearing on the case and therefore probably making any application to the court quite unnecessary?

Mr. Havers failed at all times, in this House and elsewhere, to express a view, clearly expressed by three Lord Justices today, that the proposed action was a breach of the criminal law and it could be the confusion and lack of certainty which he failed to make clear, which made this threatened breach of the law more likely.

Mr. Havers—I cannot accept that. What happened was that the Post Office Board was seeking to make clear to their workers that in their view there would be a breach of the criminal law if they followed the union's instructions.

It was simply brought into the matter on the question of whether I should grant the application of Mr. Havers and I decided not to.

The other matters he has referred to have no bearing on the question I have been asked to answer.

Mr. Douglas Jay (Wandsworth, Battersea, North, Lab.)—If, as it appears, there has been a departure from the Attorney General's powers, would it not be common sense for Parliament to take course to legislate to put this matter beyond doubt?

Mr. Havers—That is not a matter for me but I agree the boundaries of my powers are far from clear. One of my submissions to the Court of Appeal was that to alter the practice as it existed throughout the country when Sir Michael Havers was Solicitor General, Mr. Geoffrey Howe was Solicitor General, throughout all that time, it had been clearly understood that the law was as I put it. I hope he will confirm that.

Now the Court of Appeal has thrown that into doubt and that is a serious constitutional issue and one which no doubt will have to be considered.

I wholly agree that to change the law on the basis of one particular case rather than look at the situation as a whole, is quite wrong.

Sir Derek Walker-Smith (East Hertfordshire, C)—Since in the absence of specific statutory provisions to the contrary, which do not apply in this case, a private citizen can initiate a prosecution when an offence has been committed, would it not be in the public interest to facilitate the restraint of the commissioning of the offence and thereby stop what was admittedly a criminal offence being perpetrated without the possibility of punishing the perpetrator?

Mr. Havers—No, I cannot agree. As I have said, and again I hope to have the support of Conservative lawyers MPs, because they know it is a fact, it is only in the circumstances I have mentioned that the law action is taken. To use the power in the way he suggested would be a total departure and in a way which has not been done, to my knowledge, for hundreds of years.

Mr. Alexander Lyon (York, Lab.)—While the Court of Appeal said there was a clear breach of the law, it is not clear that this issue was not argued in court and the issue to be decided is the relation of the law and when it is brought?

If the Court of Appeal has the right of saying where there was a clear breach of the law, what is the point of having a law action at all?

Mr. Havers—A breach of the criminal law was not part of the case I wanted to put before the court. I consulted him as to whether the Attorney General should take any action they might take. It would be a wise and proper action to have done so and he would have had a duty to provide such advice. If he could not give such advice can he say what he would do?

Mr. Havers—The Post Office did not come to me with any proposition either that I should advise them on their own or that I should advise them on my consent to allow proceedings. They did not do so.

Whether it would have been proper for me to advise them on the Post Office, as an independent corporation, is a matter on which one would have to give great consideration. It is not clear that it did not arise in this case.

Mr. Havers—On partially, I should prefer to say, and I hope I have Sir Michael Havers' support on this, that there have been several cases in the recent years where the Law Officers of the Conservative Party have done exactly the same thing as I did, and I hope with as much anxious consideration as I have given to this case.

On the Court of Appeal, I do not think it would be right for me to criticise the judgment of Lord Denning or any other judgment, but I think it would be right for me to appeal has been granted. The House of Lords Judicial Committee is the right forum in which to make criticism.

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although simply for the motivation of someone about to commit a criminal offence is understandable, that does not mean that this House should in any way endorse the action of the House.

Mr. Havers—I entirely agree with her that conflict between Parliament and the executive and the courts, particularly Parliament, and the courts, is something to be avoided as much as it is possible to avoid it. I made that comment in the course of my observations on the Court of Appeal in this case.

It must not be suggested, and I hope she was not suggesting it, that conflict can only arise through Parliament or the executive taking action which the courts dislike.

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coming because he felt that if he gave it, the damage wrought on the general public would be severe. Mr. Havers—I am grateful for him summarising the situation I made in the House of Commons, but they are certainly part of the essence of it.

Mr. John Widdison (West Gloucestershire, Lab.)—If the logic of the decision is followed and the views of the Opposition, it would mean the courts of this land will be founded at every level as ordinary citizens pursue the right which the Court of Appeal has foolishly defined.

All lawyers on this side of the House accept that he was correct in the course he pursued and law on the Conservative side know it as well. This matter must be decided by this Parliament and not the courts.

Mr. Havers—I am sure that it is correct to say that the Attorney General's consent in these matters was simply dispensed with, or if he was bound to give it, the Attorney General's decision then it could well be that both he and the courts would be flooded by the number of cases which would then be brought to the courts.

But I do not think that the mere question of administrative convenience is the cardinal factor in all this. It is of great importance that the Attorney General should take a view of the public interest in cases of this kind.

There may be facts which may not be available to others, which indeed in some cases he may not even know, but I think that although one hopes that if challenged he would always be in a position to do so.

But I cannot guarantee that that would always be so. That being the case, until Parliament has decided, it is a matter for Parliament to decide whether to follow the practice followed again and again by the Attorney General of both parties.

Mr. Norman Ashton (Barnes, Tottenham, Lab.)—On a point of order, asked the Speaker (Mr. George Thomas) for a ruling on whether the Attorney General, in making an application to the House of Lords, should be doing so on behalf of the Commons as he (Mr. Ashton) believed would be the case.

But the House of Lords was not competent, furthermore, he said, to deal with the matter. Many believed this. The effect of today's judgment was to give to the Attorney General a political institution. The judges, instead of reaching a judgment on existing law, had made a new law.

It is right (he said) that the House of Commons, as a democratic institution, should come to some understanding on this constitutional issue. It is not to make this application to the Lords but to come to the Commons first and allow us to see what the Commons think. The judges should be in a position to influence the whole democratic proceedings in this way.

The Speaker—He has raised a serious matter. Obviously there are many who are of the opinion that it is foolish to give a ruling of the cuff.

wide talk of industrial action. Every police force in the country was alerted to the possibility of a strike. There had been much talk about the police abandoning their neutrality and moving into the area of industrial dispute. There had been pressure for the Police Federation to join the TUC and take into itself the power to exercise its industrial muscle.

We are close to a position (he said) where the police are being asked to exert themselves upon the police service for many years are diminishing rapidly. The Home Secretary has moved into the situation where he is being asked to intervene if he will be able to save the situation before it gets out of hand.

Mr. Alan Clark (Plymouth, Sutton, C) said the time had come to consider reviving the deterrent element in the penal code. There was a case for short sentences which were genuinely severe and deterrent.

Mr. Edward Taylor, for the Opposition (Glasgow, Cathcart, C), said the crime situation was deteriorating at a serious rate. There had been a dramatic upsurge in crime, particularly in crimes of violence and crimes by young people.

In Glasgow some time ago there was an appalling outbreak of razor attacks which was almost entirely stopped by the imposition of stiff penalties. There was ample evidence that corporal punishment would deter crime. There was also a need to review the present penalty for murder.

Mr. Bruce Milian Secretary of State for Scotland (Glasgow, Craigton, Lab.) said the Government recognised that in the fight against crime the police had the most important role to play. Nothing had been said or done by the Government or previous Labour Governments could be demonstrated to be in any way detrimental to that proposition.

The debate was concluded. House adjourned, 10.55 pm.

Preparatory work on wealth tax

The Government were fully committed to a wealth tax which would bring in at the appropriate time, Mr. Joel Barnett, Chief Secretary to the Treasury, said.

A considerable amount of preparatory work had already been done. This, together with other studies, would ensure that the tax would be ready to be introduced in the form of a wealth tax at the appropriate time.

Mr. David Howell, an Opposition spokesman on Treasury matters (Guildford, C)—There is a major threat to jobs in small businesses because of the possibility of another visit to the top of the various threats of a so-called industrial democracy. Will he reassure British business that there is no intention of carrying out a while future, certainly not in this Parliament?

Mr. Barnett—He mischievously and grossly exaggerated the effect of the proposed wealth tax and wealth tax on small businesses, certainly in the form we have in mind.

Mr. Healey, Chancellor of the Exchequer, said he had always made it clear that he hoped to be able to deal with the burden of the tax threshold should be a major element.

It is only fair to tell the House that if we do so it will be at the price of increasing anxiety about the administration of justice in our higher courts, which it would be irresponsible to ignore.

Lord Wigoder (L) said he did not believe that the proposals made in the Bill would, outside the south-east region, in any way assist the Crown courts, and would materially add to the burden on the magistrates' courts.

The employee, the retired army officer, the shopkeeper or the professional man who was alleged to have committed an offence of dishonesty up to the value of £20 had as much right to trial by jury as the bank robber who might have a long criminal record.

The Lord Chancellor said it was vital that important and significant changes in the criminal law should carry public support and that public confidence in the courts should be maintained.

Further change in cigarette prices coming

Mr. Robert Sheldon, Financial Secretary to the Treasury, replying to a series of written questions about the tax on cigarettes, stated that the Government were committed to the implementation of the EEC First Directive on Tobacco Taxation by January 1, 1978.

This commitment, which (he said) was accepted by the Government, required the United Kingdom to switch from a duty charged on the weight of tobacco used in the manufacture of cigarettes to a duty charged on the number of cigarettes, irrespective of size, and on the retail value.

Provision for the switch, which was started in the Finance Act 1976, had to be carried to completion in the next Finance Bill.

This second step is likely to involve a further reduction in the tax on cigarettes. The extent will depend upon the Chancellor's Budget decision within the wider framework provided by the directive and on the views of the major manufacturers.

Any amendment to the first directive to provide for a two-tier system on cigarettes, proposed by one United Kingdom tobacco group, would require first a proposal to that effect from the EEC Commission and second the unanimous approval of member states.

The typical criminal damage case was that of the drunk who succeeded in putting his foot through a plate glass window. Costs being what they were these days, amounts in excess of 100 could quickly be reached.

It was also possible he would do it if the limit was raised by 100 to 200. It might assist in a small way in easing the burden on the Crown court.

The Lord Chancellor said he thought the case could be put out for increasing the 100 figure. The James Committee were uncertain about the appropriate figure should be.

As the amendment would also assist to a small extent in reducing the burden of work on the Crown court he was happy to support it. The amendment was agreed to. House adjourned, 7.37 pm.

Riot shields for London police if need arises

People were concerned at the state of lawlessness in present day London, Mr. Havers said, and the Opposition spokesman on home affairs, said when opening a debate on the prevention of crime.

He said it was the primary duty of the Government to protect their citizens. Few if any democratic governments could be said to be discharging that duty successfully today.

Certainly (he said) we in the United Kingdom are not and we have to face it. For a good many years our failure has been to do so.

There was a danger that the acts of lawlessness which were being committed by many young people were being encouraged to become wholly alienated from it.

Mr. Merlyn Rees, Home Secretary (Leeds, South, Lab.), said the level of crime in London was over the past 10 years and longer was a cause of serious concern. Over the last three years the upward curve of crime had become steeper and was far too high. Offences of violence against the person and of criminal damage had increased in recent years at a faster rate than the rate of increase in the population.

The Government were spending £250m more at constant prices on law, order and protective services in the last year of the previous administration. Next year they would spend about the same as this year. On policemen and police dogs, the Government would spend more next year than in this.

These facts were sufficient to show that the Government were not neglecting their responsibilities in this area.

Violence, such as the throwing of bricks, stones, and bottles and the use of petrol bombs, which could cause injury to police officers. As a result he had agreed with proposals by the Commissioner of the Metropolitan Police that officers in London would be provided with protective shields if the need arises.

Discipline, however, would continue to rely on traditional methods of keeping public order and they would only be authorised to use force in circumstances where an incident could not be contained by traditional methods and where officers were subject to an acceptably high risk of injury.

The shields would be used only under the close supervision of senior officers.

Prison overcrowding was not the principal reason for the development of a policy of preventing crime. Neither this Government nor their predecessors have been pushed by pressure of conditions into debating policies they thought soft.

The Government planned to provide 4,500 extra prison places in the period to 1981.

Mr. Graham Page (Crosby, C) said crimes of violence against the person had increased from 1969 to 71,000 a year. The birth should be brought back, as demanded by 750,000 people who signed a petition for a new law, for the prevention of crimes. These crimes were increasing at double the rate of other crimes.

In some of our cities (he said) at least streams of blood are flowing, the blood of victims of mugging and stabbing. We must do something to stop these streams becoming rivers.

It seems to me (he added) that commonsense and experience proves that the effect of the sharp physical pain of a birching is indeed a deterrent to the kind of coward who attacks the defenceless, the elderly, and the weak and that the courts should be given the discretion to impose such a sentence.

Mr. Bruce George (Walsall, South, Lab.) said they ought to look at the way in which the private security industry had grown over the past 10 years. They should see how the industry had been able to be assisted and how it could be controlled. The industry itself was clamouring for some form of regulation and control. It had a part to play in the prevention of crime.

Mr. Edward Gardner (South Fylde, C) said Britain was in the unfortunate position of being criticised by the European Court of Human Rights. If by making the rules over-restrictive they gave cause for increased tension they did not help security but undermined it. The Home Secretary should look at the rules; as they had been looked at in other countries.

Mr. Eldon Griffiths (Bury St Edmunds, C) said there was more money in the police service than at any time since the war and against increasing money and a barrier of income tax to stop money going out. We would welcome any move to relax exchange controls.

Mr. Healey—He mixes up four or five things together. We have already taken steps to reduce the amount of money the Government require to borrow. The extent of the reduction has been welcomed by the foreign markets as shown by the recent strength of sterling. The inflow of money into this country, and the reduction of interest rates, these all reflect the success of the measures announced last December, which at the time were regarded by the Opposition Front Bench.

On exchange control, he must make up his mind whether he wants to keep the money supply under control or whether he wants these things to happen as they did under the Opposition and allow the money supply to go hang.

There is no doubt we have achieved control of the domestic money market and money supply targets to which we committed ourselves last year.

Parliamentary notices
House of Commons
Today at 11.00: Insurance Brokers (Amendment) Bill, second reading; Planning (Amendment) Bill, second reading.

WEST EUROPE

European convention on terrorism signed by 17 states

From Charles Hargrove

Paris, Jan 27

The European Convention on the Suppression of Terrorism was solemnly signed this morning in the new Palais de l'Europe in Strasbourg by the foreign ministers of 17 member countries of the Council of Europe.

Only Malta and Ireland refused to endorse the document. Four countries—France, Norway, Italy and Portugal—expressed reservations. France said it would not ratify the convention until the agreement on terrorism which is under preparation in the European Community was ready.

A French statement on the convention said any person had the right of asylum, Norway and Italy reserved the right to use article 13 which enables signatories to refuse extradition under certain conditions. Portugal said it would not extradite anyone acting for solely political motives or to a country where capital punishment still existed.

The reasons for the refusal of Malta to sign were not disclosed. Ireland's refusal is because of a constitutional difficulty.

The convention adopted by the Council of Ministers of the Council of Europe in November was described by Mr Einar Agnasson, the Foreign Minister of Iceland, as "the maximum juridical instrument which could be achieved in present circumstances".

The convention expresses the pious wish that "effective measures be taken to ensure

that the authors of acts of terrorism do not escape prosecution and punishment" and it mentions extradition as a particularly effective means to that end.

In the debate in the assembly, several speakers argued that the document was not sufficiently strong. It was deprived of any real force, they said, by the sovereignty and reservation clause which enable member countries to refuse extradition if they regard the acts of terrorism concerned as political.

The assembly adopted a report by M Margue (Christian Social, Luxembourg) asking for the speedy implementation of the convention.

He criticized the lack of clarity in the definition of political crimes. In order to exclude all risks of a political refugee being handed over, he said, it was necessary for all member states to acknowledge the right of individual appeal to the European Commission on Human Rights, and the suspension of such appeals.

The French and Italian Communist members of the assembly voted against the report on the grounds that the convention did not seem to them a "real instrument for the repression of terrorism". The text was very confused and the Council of Ministers had failed to consult the assembly in drafting it.

In this connexion, M Margue stated in his report that the Council of Ministers of the Council of Europe had consulted the assembly only 80 times in 27 years, and mostly on minor matters.

Giscard choice offers to quit Paris contest

Paris, Jan 27.—The candidate proposed by President Giscard d'Estaing to seek the majority of Paris today offered to withdraw his name to heal a split in the government coalition over who should stand for the office.

M Michel D'Ornano, Minister of Industry said he would withdraw from the battle if the quarrelling coalition parties could agree on a suitable compromise candidate.

The dispute began last week when M Jacques Chirac, the Gaullist leader and former Prime Minister, announced that he would seek the majority in the March municipal elections. Despite President Giscard d'Estaing's selection of M D'Ornano for the post, M Chirac said he was standing because he had the best chance of defeating the left-wing candidate in the elections.

M D'Ornano's offer to withdraw was announced in a communiqué from the office of M Raymond Barre, the Prime Minister, who was appointed by the President to act as a mediator in the dispute.

M Barre said discussions with leading politicians earlier today but M Chirac did not

attend. In a letter to the Prime Minister, M Chirac said he would not stand down except for "serious and pressing reasons".

The sharply-worded communiqué from M Barre's office expressed regret over M Chirac's decision not to attend the meeting today.

M Barre said the battle over the Paris post was deplorable and it could jeopardize the success of his anti-inflation programme.

M Chirac resigned as Prime Minister last summer after a policy dispute with M Giscard d'Estaing. His decision to seek the Paris post has been widely interpreted as a direct challenge to the President.

The President yesterday made it plain that he was asking M Chirac to withdraw when he sternly told his Cabinet: "Abstention and improvisation will not make France a modern state."

M Giscard d'Estaing then asked M Barre to try to resolve the conflict between the coalition parties—M Chirac's revived Gaullist movement on the one hand, and the "Giscardian" Independent Republicans and Centrists on the other.—Reuter.

Caution over Madrid ban on protests

From Our Correspondent

Madrid, Jan 27

An Argentine political activist was ordered to be held "in preventive arrest" today by a Madrid magistrate who is investigating police allegations that the man was an accomplice to a 19-year-old student demonstrator.

The activist, Senior Jorge Cesarzky, leader of a Peronist organization called Justicialista Self-Defence, was brought before the magistrate as emergency measures went into effect to halt a wave of terrorism. He is closely associated with far right elements of the Spanish Falange.

Leaders of the opposition, for the most part, have adopted a wait and see attitude over the ban on demonstrations and other measures announced by the Government last night. A spokesman for the Popular Socialist Party epitomized the views of many others when he told me: "The measures are valid if they help to create the conditions for democratic progress, if they help to create an atmosphere of calm. But it is worth putting the question: 'Will this be enough?'"

He claimed that it would be easy for the Government to "neutralize certain persons" and block Government funds, which he alleged were being "channeled into right-wing subversion". However, he admitted: "The Government is in a delicate situation."

Afflicted jog conscience of Rome

From Our Own Correspondent

Rome, Jan 27

The centre of Rome was blocked today by the blind and deaf and dumb who mounted a "March of Grief" on the Prime Minister's offices to express solidarity towards cripples threatened with loss of their pensions under a new law.

At one point there were estimated to be 3,000 blind and deaf and dumb in and around the Palazzo Chigi. Police of police in full riot gear with tear gas at the ready sealed off the roads adjacent to the seat of government.

Blind men blocked traffic holding such posters as: "Where are the free public

Strike over French wage policy

Paris, Jan 27.—Thousands of

state employees—including teachers, dustmen, postmen, airline crews and customs officers—staged a 24hr strike today in a new upsurge of labour unrest against the Government's austerity programme.

An estimated 50,000 demonstrators marched from the Bastille to the Palais Royal carrying banners calling on the Government to open negotiations on bigger wage increases.

Air France was paralysed as its ground and air crews walked out. Their unions said only eight of a scheduled 100 flights were expected to get into the air. The Paris Opera and other suburban theatres cancelled performances planned for tonight because of a strike by their staff.

The mass demonstration through the streets was aimed at undermining labour opposition to the plan of M Barre, the Prime Minister, to peg wage rises this year to cost-of-living increases.—Reuter.

Nato unable to agree on plane

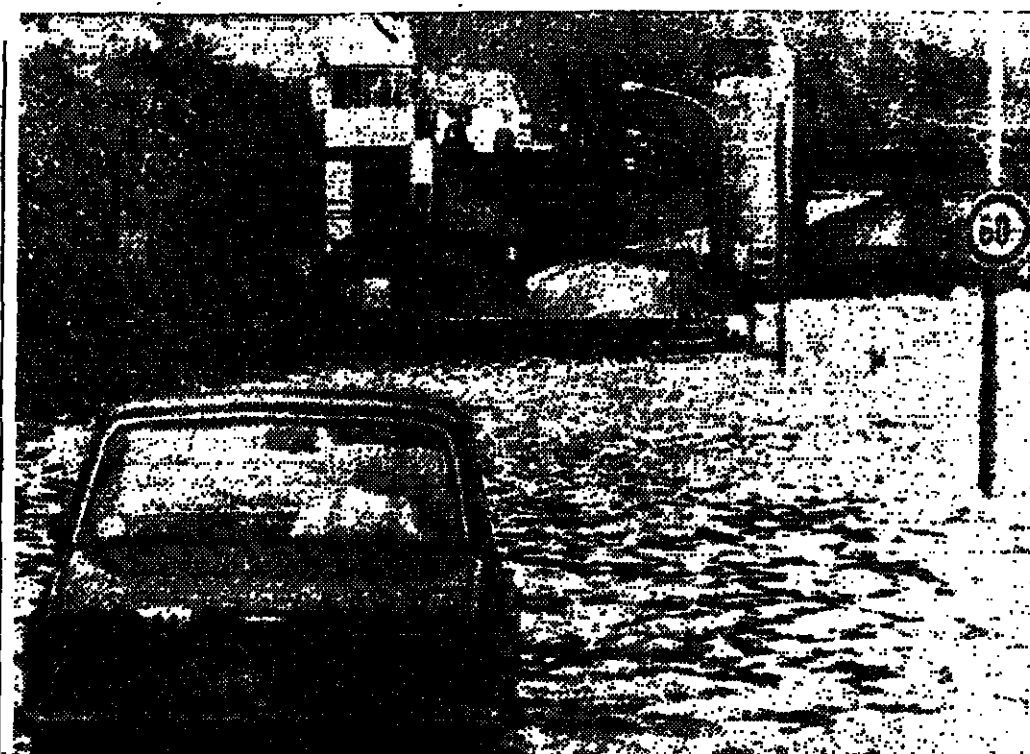
Brussels, Jan 27.—Financial

experts from Nato countries ended a two-day meeting here today without apparently having made any substantial progress towards agreement on how to find the \$2,400m (£1,400m) required for the purchase of a new American-designed radar surveillance system for Western Europe.

A representative of the deaf and dumb harangued the main entrance to the Prime Minister's offices. Carried on the shoulders of his friends, he delivered his speech in energetic sign-language.

A cry went up for more noise in order to impress the authorities with their presence. Some shouted: whistles blew, there were songs and chants. The deaf and dumb loudly clapped their hands and stamped their feet.

The essential grievance today concerned a decree issued last month regulating pensions for the physically handicapped. It raised the level of earnings



Water from the Neckar river, swollen by heavy rains and thawing snow, flows through the streets of Heidelberg in West Germany.

EEC makes war on food prices

From David Cross

Brussels, Jan 27

Mr Pim Olay Gundelach, the recently-appointed European Commissioner for Agriculture, tonight fired the opening salvo in a new battle to hold down key EEC farm and food prices.

In a tough speech delivered at the opening of the "Green Week" in Berlin, he made it clear that farmers could no longer count on large annual price increases for their dairy produce. "We face a choice," he said, "either we must give our farmers the chance to switch to more viable forms of agricultural or other production."

This was the essence of the modified and strengthened agricultural structural policy the Community needed, Mr Gundelach said. In addition, it required strengthened regional policies designed to overcome geographical imbalances.

Other difficulties facing the common agricultural policy had resulted from the upheaval in the general economic situation, including low economic activity, unemployment, balance of payments difficulties and last but not least severe currency devaluations.

In this context the present system of "green currencies" (like the green pound) helped to avoid reductions in producer incomes or sharp rises in consumer prices. But while this protection was necessary in the short term, it was wrong to think that the mechanism could hold off forever the effects

of monetary changes, whether they flow from revaluations or devaluations.

This structure is not likely to strike a sympathetic chord with Mr John Silkin, the British Minister for Agriculture, who is in Berlin for the annual farm trade fair. For several months he has been strenuously resisting any devaluation of the green pound because of its impact on food prices and the social contract.

Aligning himself firmly with traditional Brussels thinking, he argued that the maintenance of the green currency system beyond its proper short-term role led to "growing budgetary tensions". "If the break-up of the system would cost four times as much this year as it did in 1973,"

Equally serious was the way in which the green currencies distorted trade between members. These distortions in turn tempted governments to add further distortions, as we have seen recently in the case of Britain and its pig producers," he said in a reference to the new Whitehall subsidies which Brussels is strenuously contesting.

"By allowing the misuse of this monetary protection, therefore, the Community risks the break-up of our common farm market. This is something we must fight to prevent."

Mr Jenkins seeks return to fixed exchange rates

From Our Own Correspondent

Washington, Jan 27

Mr Roy Jenkins, President of the EEC Commission, suggests in a television interview here that the Nine's member countries should aim "in the reasonably near future" at ending the present limited floating of their currencies, and return to fixed exchange rates within the Community.

He said there would have to be a convergence of the disparate economies "before you can have that working properly". But in spite of his vagueness it sounded as if Mr Jenkins were embracing the old Commission goal of a common currency and monetary system by 1980.

Mr Jenkins was interviewed for public television here in a programme to be broadcast tomorrow. He came to his remarks about currency, according to the advance transcript, when pressed how he would improve European-American cooperation, with his own four-year term depicted by the intervening parallel with President Carter's administration.

"I want to have a greater degree of coordination of economic policies in order that we can try and get over some of the difficulties which exist at present," he said. One problem was the lack of success in replacing the Bretton Woods system of fixed exchange rates.

He had never, in the "British context", believed in floating rates, he thought there was a good deal to be said for the discipline of fixed rates. "What the United States does is a matter for the United States, but I think it is very

important that one does try and bring and keep currencies more closely together in Europe."

Asked about the strain on the EEC from forthcoming membership applications by Greece, Spain and Portugal, Mr Jenkins said: "I would not disguise from you for a moment that further enlargement of the Community... will create problems, economic problems, a problem, too, so far as what we call the decision-making process."

But Mr Jenkins insisted that Americans remember the EEC was not just a common market: "It is about politics. It is about making Europe a more secure place to live, and therefore when you are dealing with new applicants, you are dealing with democracy has been reestablished, where it has not been present or secure recently, then one has to take into account the politics of this just as much as the economics."

He made a similar point about communism in Italy, thinking that one of the strengths in the Italian position is that Italy is part of Europe. I would be far more pessimistic about the Italian political future, about the growth of Italian communism, of Italy going over and becoming a communist state, were it not for the links with Europe. I think we have got to try and maintain Italy firm in the democratic fold."

Mr Jenkins refused to be daunted by the disintegration's concern about an EEC crisis.

"There's a certain sense of check at the present time," he conceded. "But unless you are willing to try and achieve something, you will never achieve anything at all."

Woman jailed for killing with an axe

Liege, Belgium, Jan 27.—A

39-year-old Belgian mother of four who was accused of axing her husband to death was sentenced to three years in prison here today.

The woman, who speaks German, was tried by a French-language court, the proceedings of which had to be translated to her by an interpreter.

The document, which bears the Pope's imprimatur, is dated October 15, the feast day of St Teresa of Avila who is mentioned in the document as one of the founders of great religious families. Sainthood is one thing, the document makes clear, the priesthood is another.

It points out in the document that the ordination of women had become an ecclesiastical question because various Protestant communities had been admitting women to the pastoral office. For this reason, the Catholic Church had to make its thinking known.

"Jesus Christ did not call any woman to become part of the twelve," the document points out.

Vatican sees no place for women as priests

From Peter Nichols

Rome, Jan 27

The Vatican today confirmed its total objection to the idea of allowing women to enter the priesthood.

A declaration published by the Sacred Congregation for the Doctrine of the Faith states clearly that "The Catholic Church has never felt that priestly or episcopal ordination can validly be conferred on women."

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OVERSEAS

Rhodesia ruling party backs Smith plan for internal settlement

From Michael Knipe

Salisbury, Jan 27

Mr Smith, the Prime Minister, today gained a vote of confidence from the national executive of the ruling Rhodesian Front for his efforts to reach an internal settlement with Rhodesian Africans which will involve changing the country's race laws.

However, he apparently did so by sticking to the principle rather than the details of the changes he plans.

The 100-strong executive, consisting of the 50 Rhodesian Front MPs and officials from every constituency, issued a statement affirming their loyalty to Rhodesia, reaffirming their confidence in the Prime Minister and Cabinet and reiterating the view of the party's last congress that Mr Smith should have full authority to negotiate a settlement that would "secure a stable future for all Rhodesians".

Mr Smith emerged from the three-hour meeting to say that a responsible discussion had been held and that he had won the party's support.

It is believed that the Rhodesian leader faced suspicion and opposition from a section of the caucus led by Mr Des Frost, the party chairman, which opposes any relaxation of racially discriminatory legislation.

Fake suicide of African not ruled out

From Our Correspondent

Johannesburg, Jan 27

The deaths in prison cells of two Africans came under official scrutiny today. Since March last year 14 blacks have died while being detained under security laws.

In Cape Town, an inquest on Luke Mazembe, who died two hours after being put into a cell at Cape Town police headquarters last September, was told that his apparent suicide might have been faked.

Dr C J. Knobel said he could not exclude the possibility that Mazembe was killed first and then hanged to fake a suicide. The abrasions on his neck were compatible with both explanations.

Police Sergeant Carel Steenkamp said Mazembe was found hanged from strips of a blanket which were tied to a window frame. A razor blade found in the cell might have been used to cut up the blanket.

Mazembe was detained in a raid on the Gugulethu African township and held for questioning about alleged incitement to commit urban terrorism.

In a second development, Mr James Kruger, the Minister of Police and Justice, said an investigation had been ordered into the circumstances in which a detainee's body was interfered with before an independent pathologist could conduct a post mortem examination.

Dr Jonathan Gluckman had been commissioned to carry out the examination by the family of Dr Nkomo Nkomo, who was found hanged in a police cell at Leslie, west of Johannesburg, on January 9. He declined to do it when the body was found to have been cut already by a matron's attendant policeman without a doctor being present.

"This is contrary to all recognized conduct in mortuaries and infinitely more so in cases of unnatural death," he said, "therefore it is impossible for me to carry out a thorough and complete examination. Any conclusions I might have drawn would have been based on features which may have been masked and could, therefore, be unreliable."

Church arrests: Police have arrested 32 members of the "Comrades" student movement which began during unrest in the Cape's African township last year (see Cape Town Correspondent writes). Seventeen of them were seized in a church in Langa township.

Mr Nkomo, the Rhodesian nationalist leader, Shridath Ramphal, Commonwealth Secretary 6 Marlborough House, London, yesterday and took daughter Thandi.

Advance south of Syrian troops worries Israelis

From Moshe Brilliant

Tel Aviv, Jan 27

Officials responsible for foreign relations and security convened suddenly here today after receipt of a message from Washington regarding the advance of Syrian forces in Lebanon closer to the Israel border. The meeting in the Prime Minister's office was also attended by the ministers of foreign affairs and defence and the Chief of Staff.

Officials said that Washington was offering as good offices concerning Israel's demand that the Syrians return to positions they held before their advance this week to the area of Nabatiya, nine miles from Israel's north-eastern border. But they declined to say whether the message from Washington represented a break in the situation.

Israel's position is that the Syrian advance broke the status quo and was not so much a military threat to Israel but a threat to balance and stability.

According to information reaching here, a Syrian infantry battalion of the Arab peacekeeping force reached the outskirts of Nabatiya but did not enter the city. The force

Mr Smith avoided a showdown by not going into the details of the Government's plans on either the political negotiations or the race law reforms. Party sources said the mandate was given on the principle rather than the detail of the Government's plans.

An indication of the Government's intentions has been given by Mr Pieter van der Byl, the Minister of Foreign Affairs. He has said he believes all racially discriminatory legislation should be abolished, and that the Government should attempt to negotiate with Bishop Abel Muzorewa's African Nationalist faction and with the newly formed Zimbabwe United People's Organisation (Zuppo). Zuppo is led by two chiefs who were until recently members of the Government.

So far at least, Bishop Muzorewa has insisted that he will not participate in any internal settlement, and has called for the "unconditional surrender" of the Rhodesian Front Government.

Zuppo claims leadership of the country's Africans by virtue of the tribal system. It has indicated its willingness to negotiate and has called for the removal of racial discrimination but is vague in its attitude to elections.

Call for pan-African force

Lusaka, Jan 27.—The Secretary

General of the Organization of African Unity (OAU) called today for the creation of a Pan African defence force to counter "aggression" by the white minority government of southern Africa.

Mr William Eteki-Mboumoua told Western correspondents he would put this proposal to the OAU liberation committee, meeting here next week to discuss ways of intensifying the guerrilla struggle in view of the projected force of the latest Rhodesian settlement proposals.

The idea would then go before the OAU defence council, also meeting here from February 5.

He said the force's main would be to prevent Rhodesian incursions into Mozambique and possibly Botswana and South African raids into southern Angola. Such protection would enable nationalist guerrillas to operate more easily from secure bases.

He did not specify whether the proposed force would be permanently stationed in the five black African "frontline" states bordering Rhodesia. He foresaw an enlargement of the present arrangement under which Tanzanian forces are assisting their Mozambican counterparts.



Mr Nkomo, the Rhodesian nationalist leader, Shridath Ramphal, Commonwealth Secretary 6 Marlborough House, London, yesterday and took daughter Thandi.

S African view of Western failure

From Nicholas Ashford

Cape Town, Jan 27

South Africa becomes involved in operations in Rhodesia obtaining the prior c of Parliament. This was clear by Mr P. W. V. Minister of Defence, interview with The Times.

During the interview, Mr Venter warned nations that because way they have towards South Africa could no longer be African support for the event of an East-West conflict. He could see country deciding to neutralise itself.

Mr Botha, who is the National Party, is one of the main members of the C-90 the guerrilla war should not be seen as "It is quite clear that evidence available has decided military propaganda, psychology and other means, an attack on the southern Africa," he said.

Mr Botha said that becoming militarily involved in Rhodesia, he said, would not take operations in the countries without first taking the risk.

What if Mr Botha's Prime Minister appealed for help would have to be merit and by Parliament. Mr Botha has a right in criticising failure to devise strategy to halt encroachments in Africa. In recent years he and Mr Vorster, Minister, have a Soth Africa stood against the military assistance.

The minister Africa had assisted other Western number of occasions the Berlin, South Korea war. Last become involved in the side of the West, and nationalist view against the left-wing.

"We took certain know about and were not opposed to words that were a firming our actions were also taking Angola by indirect up till now we have any positive action of the West to say lift the arms emb fight with a comm against the commu

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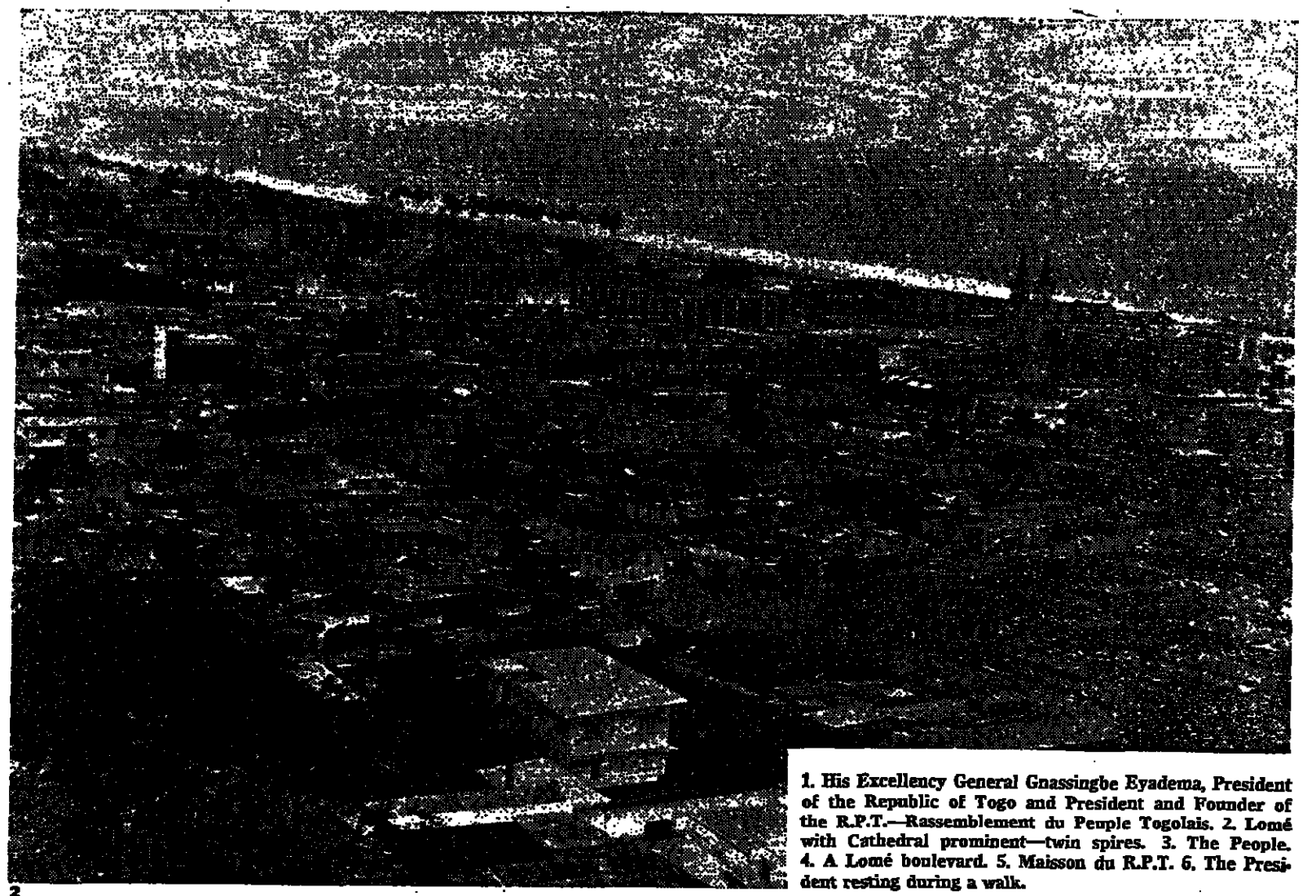
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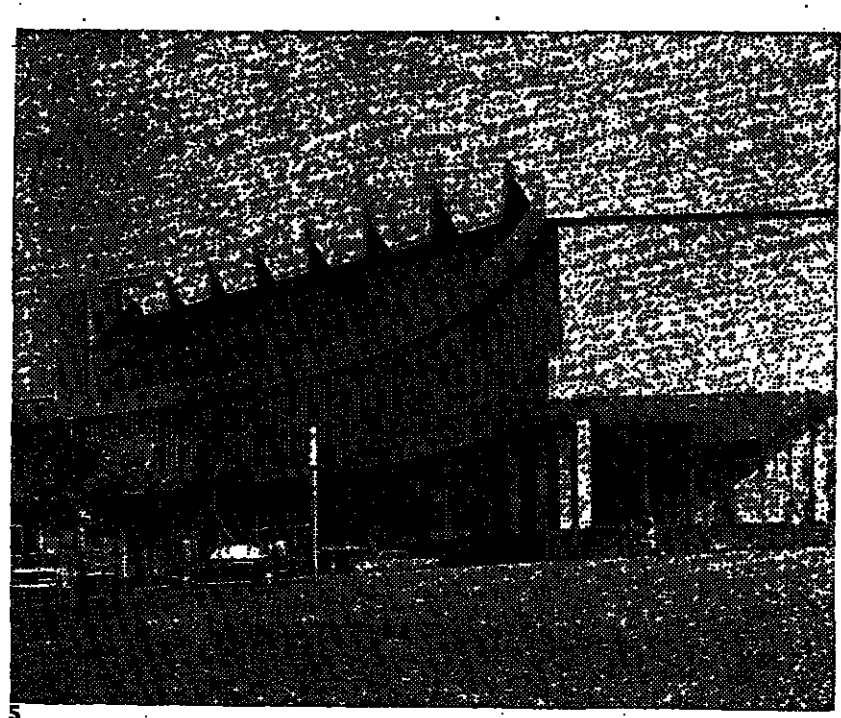
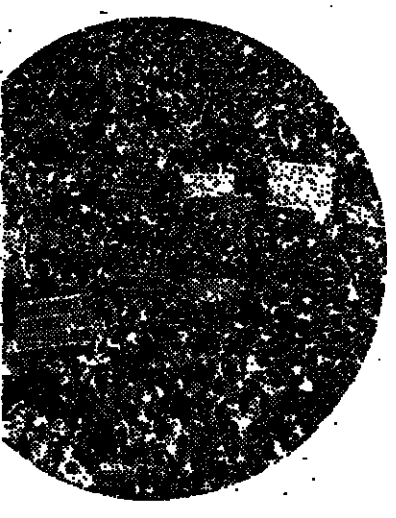
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plan
settlement

Call for
pan-African
force



1. His Excellency General Gnassingbe Eyadema, President of the Republic of Togo and Founder of the R.P.T.—Rassemblement du Peuple Togolais. 2. Lomé with Cathedral prominent—twin spires. 3. The People. 4. A Lomé boulevard. 5. Maison du R.P.T. 6. The President resting during a walk.



Togo celebrates ten years of progress

January 13th, 1977, the day of Togo's independence, was celebrated with a series of events. The President, General Gnassingbe Eyadema, addressed the nation, highlighting the progress made since 1960. He emphasized the importance of national unity and the role of the R.P.T. in the country's development. The celebration included a military parade in Lomé, with the President reviewing the troops. The day was marked by a sense of pride and accomplishment for the Togolese people.

At the same time, the country was celebrating the 10th anniversary of its independence. The President, General Gnassingbe Eyadema, addressed the nation, highlighting the progress made since 1960. He emphasized the importance of national unity and the role of the R.P.T. in the country's development. The celebration included a military parade in Lomé, with the President reviewing the troops. The day was marked by a sense of pride and accomplishment for the Togolese people.

While progress has been made, there is still a long way to go before good administration can be fully achieved. The President, General Gnassingbe Eyadema, addressed the nation, highlighting the progress made since 1960. He emphasized the importance of national unity and the role of the R.P.T. in the country's development. The celebration included a military parade in Lomé, with the President reviewing the troops. The day was marked by a sense of pride and accomplishment for the Togolese people.

Not everything was bad under colonial rule, of course; to its credit could be placed the emergence of certain individuals who would later make up the political sectors of society, as well as the opening up of our people to the outside world and the awakening of a national awareness. Nevertheless, by relentlessly pursuing its logic, colonialism was at the same time sowing the seeds of its own death. The consequence was to be our country's acquisition of its independence in the 1960s.

Before independence, public opinion in our country was divided among several political opinions. Despite the diverging opinions, the people had fought to shake off the colonial yoke. None of them, however, had been able to draw up a programme for the future. It was only after independence had been achieved, the parties did not understand that independence is only a means to an end, an essential milestone, but no more than a milestone, on the road to the greater good of economic independence.

The achievement of independence was accompanied by a state of euphoria, but the problems were more complex than the euphoria. There was little improvement in the economic situation for the common people. The country was divided into two parts: a part that was ready to lead the country out of its state of underdevelopment. There were no plans to reform the administrative structure inherited from colonial days. The situation inevitably led to an impasse, characterized by victimization, the paying off of old scores and arbitrary detention reminiscent of the unhappy colonial period.

Three years after independence, the country was still in a state of underdevelopment. The President, General Gnassingbe Eyadema, addressed the nation, highlighting the progress made since 1960. He emphasized the importance of national unity and the role of the R.P.T. in the country's development. The celebration included a military parade in Lomé, with the President reviewing the troops. The day was marked by a sense of pride and accomplishment for the Togolese people.

Finally, the union movement has achieved unity once again and has acquired new impetus by its participation in efforts to bring about national recovery. The R.P.T. has now taken the name of "Confédération Nationale des Travailleurs du Togo" (C.N.T.T.). In the agricultural sector, plans for reform have been adopted with a view to making full use of our land assets. Today only about 10 per cent of our arable land is cultivated; over the next few years, this percentage will gradually increase.

Togo does not forget

On January 21st, 1976, an article appeared in Togo-Presse, the national daily, under the signature of Mr. K. E. JOHNSON, the Minister of Information and of the Post Office and Telecommunications. In this article, which caused a stir at the time, he pointed out the absurdity of the principle that the frontiers inherited from colonial times should be sacrosanct. He referred to the decision taken by the Senegal head of state, President SENGHOR, to return 26 villages in the region of Kamboma to Gambia, thus demonstrating that frontiers could and should be altered in the interests of the peoples who had been separated by the arbitrary decisions of the colonial powers.

Foreign observers did not hesitate to interpret this article as a plea for reunification of the two Togolands. Briefly, it will be recalled that German Togoland was conquered by a Franco-British expeditionary corps in August 1914. The country was later shared out between the victors by the 1919 Treaty of Versailles, and its two parts were put under League of Nations mandate. However, British Togoland (or Togoland) was from the start administered jointly with the Gold Coast—later to become Ghana—and governed from Accra. This division was unwelcome to the people of Togo. To resolve the situation, after it had gained independence in the Gold Coast on March 6th, 1957, Great Britain asked the United Nations to organize a plebiscite in the territory which it administered, which was held on 9 May of that year. The choice offered to the "British" Togolese was autonomy or integration with the Gold Coast. In the end, the people voted for integration by a majority of 90,055 votes against 67,492. The die was officially cast for British Togoland to be merged with the Gold Coast, which was then completely resolved. The question of "reunification" has never ceased to affect relations between Ghana and independent Togo, although this thorny problem is rarely mentioned elsewhere. Nonetheless, from time to time it suddenly rises to the surface again.

We shall mention only a few of the most recent events in this connection. On March 12th, 1973, about ten of the traditional Ewe chiefs in South Ghana, led by Nana Sir Adjeti III Antonsana, demanded parity and simply that Ghana should transfer its administrative powers to the Togolese. On February 21st, 1975, a large delegation of traditional chiefs and former nationals of British Togoland, who had become nationals of Ghana in 1957, sent a letter to the Ghana Ambassador in Lomé addressed to President Acheampong, reporting on the resolution adopted in Ahamassu on December 26th, 1974, and calling for negotiations to be started immediately between the Ghana government and the "Togolese Liberation Movement". Very recently, an Agence France-Presse despatch from Accra, dated December 6th, reported that Ghana had asked Togo to expel Ghana dissidents who were demanding the secession of the Volta region and its merger with Togo, and to ban the "Togolese Liberation Movement".

Many arguments are advanced in favour of maintaining the status quo, both in the Organization of African Unity and at the international level. The principle that the frontiers inherited from colonialism are sacrosanct undoubtedly prevents Africa tearing itself apart, but the principle has never ruled out consideration of individual cases. Togo existed as an entity before and during colonialization was not brought about by colonization. In view of the reunification of British and French Cameroun, the Togolese wonder why there should be one law for one nation and another for the other. They are inclined to place the responsibility for dismemberment upon the British, who were the victors of the 1957 plebiscite in advance. The Gold Coast of the time—now Ghana—never formulated territorial claims against its neighbour; it was merely caught up in the manoeuvres of the European nations.

It is not hard to understand why the peoples concerned were not able to express themselves freely at the time of the plebiscite. A period should have been allowed during which they would have been able to free themselves of the pressure exerted by Great Britain and Ghana. Peoples who are administered by a foreign power and who are economically linked with that power cannot be said to have a free choice. The United Nations Organization was not wrong in applying the universal principle of self-determination, but it should first have created the conditions in which a full and free decision could have been reached.

In the capital of Togo, it is generally emphasized that Ghana has never been looked on as an enemy, despite the expansionist goals nurtured by the former president, Nkrumah, against Togo. Nevertheless, statements by the current Ghana minister of foreign affairs, Togolese officials point out that a hostile climate cannot exist while the two countries are brought together by objective ties. The Ghana-Togo Grand Commission, which is currently in session, is arranged fairly frequently between the two Presidents and Togo uses power supplied by the Akomoso dam in Ghana; finally, both countries are members of O.E.A.C.

Nevertheless, the 1957 plebiscite has not really solved the problem of unification of the Togolese people. General Eyadema has made Togo a land of free debate and his main diplomatic weapon is consultation, but he has also lit the flame of hope in the Togolese. Many of them believe that the day will come when all its people will be united in peace, stability and progress, and can direct all its efforts to the objective of development.

Ministry of Information, Press, Radio, Television, Post Office and Telecoms, Lomé.

German Togoland extended over an area of 55,000 square kilometres whereas independent Togo has an area of only 56,000 square kilometres.

OVERSEAS

Japanese prosecutors link name of Mr Nixon with Lockheed as Tanaka trial opens

From Peter Hazzard
Tokyo, Jan 27

In a startling statement, Japanese prosecutors implicated ex-President Nixon in the Lockheed bribery scandal today after Mr Kakuei Tanaka, the former Prime Minister of Japan, went on trial in Tokyo on charges that he received \$1m to secure a lucrative sales contract for the American aircraft manufacturer.

Wiping away tears, Mr Tanaka, aged 58, faced a panel of three judges in the crowded courtroom. In a faltering voice, he denied all the charges.

Mr Tanaka and four other defendants were charged with bribery, perjury and violating Japan's foreign exchange regulations. The charges carry a maximum sentence of seven and a half years in prison. The other accused are alleged to have channelled bribes through the Marubeni Corporation, Lockheed's former sales agents, to Mr Tanaka to secure a sales contract for 21 TriStar aircraft in 1972.

They are Toshio Enomoto, Mr Tanaka's former secretary, Hiro Hiyama, former chairman of Marubeni, Toshiharu Okubo, and Hiroshi Itoh, both former Marubeni executives. They also deny all the charges.

In their opening address the four prosecutors formally linked President Nixon's name with the scandal. The prosecution alleges that Mr Hiyama

visited Mr Tanaka at his official residence in August, 1972, to suggest that Lockheed might pass on a \$1m bribe to obtain a TriStar sales contract with All Nippon Airways. Shortly afterwards, Mr Tanaka travelled to Hawaii for talks with Mr Nixon and Dr Kissinger (the former Secretary of State).

After his return, it was said, Mr Tanaka met one of his closest friends, Mr Kazuo Osano, the principal shareholder in All Nippon Airways.

The prosecution statement claimed that he told Mr Osano: "Mr Nixon said if Japan imports aircraft from the United States in future he will be very grateful if Lockheed aircraft are purchased. Mr Osano later met the airline's vice-president and strongly urged that the TriStar should be selected for the airline's new fleet."

This was relayed to the president of the airline and in October it was decided to purchase the Lockheed TriStar.

The state claimed that after sounding out the Prime Minister, Mr Tanaka's representative in Tokyo, Mr A. C. Koichian, asked the company to put up a bribe of \$1m. Mr Koichian accepted the suggestion, but stipulated the money be paid in four instalments because the company was suffering financial losses.

Later, Mr Tanaka's secretary

telephoned Marubeni executives to inquire about payments. "Lockheed was contacted and agreed to pay through their subsidiary in Switzerland."

Hundreds of curious Japanese milled around the court this morning. Seats in the public gallery were assigned by lottery. Mr Tanaka, who is on bail, arrived wearing a dark western suit. He appeared composed but later broke down as he recalled the shock of his arrest last July.

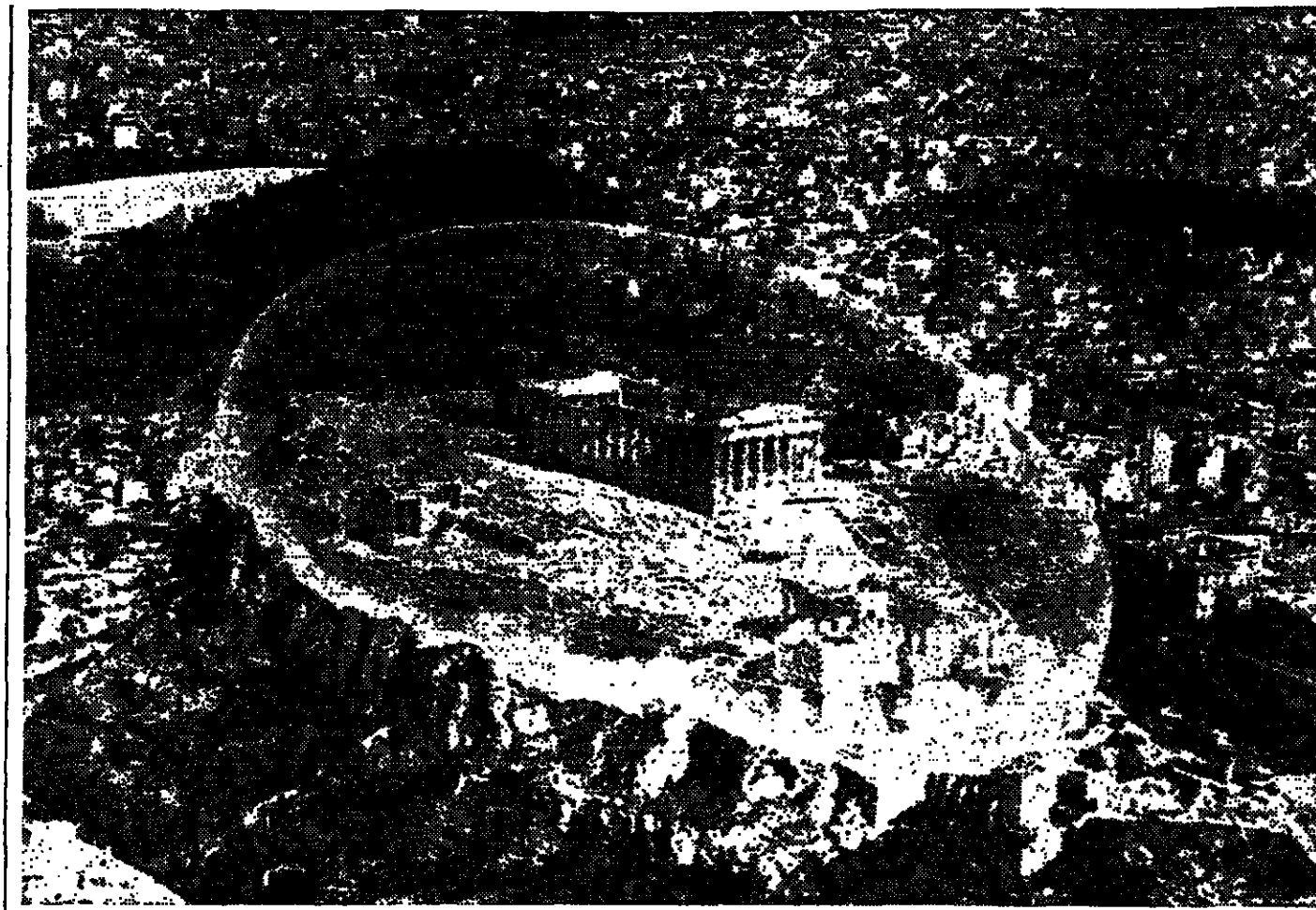
"The prosecutors came to my home without warning and arrested me. It was a terrible shock," he said.

He was the victim of an irresponsible campaign by the mass media, Mr Tanaka said, denying that he and Mr Nixon had discussed the Lockheed sales campaign. "This is sheer nonsense. At no time did the subject of TriStars crop up during my talks with Mr Nixon."

Dr Kissinger and Mr Rogers (Mr William Rogers, Dr Kissinger's predecessor as Secretary of State) were present. One has only to look at official records available in the foreign office, I declare categorically that this is incorrect and for the sake of the honour of Japan and the United States I hope this will be cleared up quickly."

He had never received money during his political career, "and I never dispensed favours," Mr Tanaka added.

The trial resumes on February 22.



An artist's impression of how the Acropolis would look under the plastic hood which has been suggested as one way of saving the building from air pollution.

Tax man in the stars of Greek astrologists

Athens, Jan 27.—An estimated 15,000 fortune-tellers, astrologists and spirit mediums in Greece are being investigated for possible fraud and tax evasion in a campaign recently ordered by the Government.

Government officials say people involved in the trade are amassing tax-free fortunes at the expense of tens of thousands of gullible Greeks.

A police spokesman involved in an investigation said the number of people telling fortunes for a living was growing. Many astrologists, palm, crystal ball, coffee-cup and playing-card readers, mediums and hypnotists, were able to earn between 1,000 and 5,000 drachmas (£14 to £71) a day, tax-free, because of the complete lack of legislation on their profession.

Many Greek mediums continue to advertise openly in newspapers and professional directories or with signs outside their flats.

One such advertisement reads: "Qualified foreign-educated soul and mind-readers, long-distance hypnotists, specializing in making and breaking curses. Come to us for any emotional or economic problem. Trust in our powers. We are your only solution."

Most mediums said they welcomed Government action because it would eliminate amateurs and restore the credibility of the trade.

Eleni Kikidou, a well-known Athens medium said: "I had police come round acting as clients to fish me out, who ended up astounded by my abilities and now come to me to solve crimes."

Cash problems force airline to halt flights

From Our Correspondent
Nairobi, Jan 27

East African Airways, which is jointly owned by the Governments of Kenya, Uganda and Tanzania, announced tonight that it had been forced temporarily to suspend some of its services. This is the latest and most serious effect of the airline's cash flow problems.

The suspension results from the airline's inability to pay for further fuel supplies in cash. An official statement said it had been paying in advance for fuel for some time now, but at midday today there were no funds available.

The immediate effect of the suspension will be felt on the international routes operated by the airline; to and from London and other European destinations and to and from Karachi and Bombay, as well as on services within Africa.

The inquiry that priced itself out

From Patrick Brogan
Washington, Jan 27

The new Congress has been busy cleaning house, getting ready for the serious business of the Carter years, and among the accumulated rubbish swept out by eager new brooms was the House committee on assassinations. For years past a few fanatics have been trying to start a congressional investigation into the assassination of President Kennedy, and in the dying days of the last Congress they finally succeeded.

It was set up in the autumn with a chairman, a director and a staff, whose first task was to set a budget. The chairman was about to leave Congress, which was the first mistake (his successor has to start him). He has more or less abandoned the staff and director, leaving the staff to tape witnesses, which was a serious mistake after Watergate; and the director announced that he needed a budget of \$13m (about £7,800,000) for two years and that anything less would ruin the investigation.

The committee swallowed it. But the House of Representatives has not. The committee went out of business with the old Congress and the new one has yet to reconstitute it, leaving it to twist slowly, slowly in the wind.

The rules committee, which cast a very unsympathetic eye over the special committee, its chairman and its proposals early this week, will probably send the matter to the floor of the House in the next week or so and some sort of investigation will survive. The unconvincing argument that once the House has put its shoulder to the wheel it must keep pushing will probably prevail, but it is most unlikely that the new committee will get more than a small fraction of the money it wanted.

The new chairman, Representative Henry Gonzalez, is so apologetic about the extravagance of the budget that he would probably accept anything the House might give him. He has more or less abandoned the staff and director, leaving the staff to tape witnesses, which was a serious mistake after Watergate; and the director announced that he needed a budget of \$13m (about £7,800,000) for two years and that anything less would ruin the investigation.

Mr Sprague is a public prosecutor from Philadelphia, and was thought at first to have a fine sense of the uses of publicity. His press conferences, his handling of reporters and his testimony before the committee all made excellent public relations. Unfortunately, it was all the wrong sort of publicity and

Mr Sprague has fallen victim not of the media but of his own message.

Mr Sprague had proposed that the staff should have 170 members. Seventy have been hired so far, and have been serving without wages for the past three weeks. Twenty-three of them were hired on January 1, three days before the committee ceased to exist with the end of the old Congress. The payroll, in theory, is therefore \$123,125.55 for January alone.

Mr Sprague had said that his enormous staff and budget would be "an exercise in sheer frugality, a bare-bones, a bare-bottom, minimal figure". It is not altogether clear what a "bare-bottom" figure might be, although it might have something to do with the proposal that the committee should be allocated \$1,248,000 for travel within the United States in the first year.

Mr Gonzalez, who voted for the budget, now says that it is inconceivable that I would go to anybody and say that I needed \$1,800,000 for travel without saying where I was going. He also promised that the committee would do without hidden radio transmitters, polygraphs, psychological stress-evaluators and other gimmicks.

Congress may alter law on presidential elections

From Our Own Correspondent
Washington, Jan 27

There is a possibility that this time Congress might finally amend the laws governing presidential elections. After every election, committees of Congress hold hearings and constitutional amendments are discussed. The process began again today.

In the past, amendments have always failed because of the conservatism of important members of both Houses. This time, even some of the conservatives have come round to the idea of change.

A Senate subcommittee is holding hearings on the matter. Former Vice-President Hubert H. Humphrey and Senator Robert Dole, Republican candidate for vice-president last November, both offered evidence making the same point, that the system of choosing presidents through

electoral colleges is out of date and dangerous. Mr Humphrey pointed out that Mr Ford had carried two other states last year with a switch of about 10,000 votes, but would have won the election despite Mr Carter's large overall majority.

Senator Humphrey also pointed out that the close race (between himself and Mr Nixon) in 1968, which was affected by a switch of Governor George Wallace, nearly ended in no candidate winning a clear majority of electoral votes.

Senator Strom Thurmond, one of the two or three most deeply dyed conservatives in Congress, admitted the need for reform. He recommended that the electoral college should be kept, however, because the voting is thus weighted in favour of small, underpopulated (and usually conservative) states.

Ethiopian Marxists call for change of regime

Addis Ababa, Jan 27.—

Posters and slogans of an underground Marxist group went up in the Ethiopian capital during the midday-to-dawn curfew today, giving evidence of further pressure on the country's military rulers.

The red hammer and sickle emblem of the Ethiopian People's Revolutionary Party (EPRP) was pasted on walls and slung from telegraph wires on several routes into the city.

Slogans painted on roads and walls called for a provisional people's government to replace the 28-month rule of the military Dergue. Police and soldiers removed most of the posters by mid-morning but not before many citizens had seen them on their way to work.

The resurgence of the EPRP at a time of considerable stress for the Government has also been noted in a number of shootings in the city. In one incident, on Tuesday, a man connected with the Government was shot and wounded outside a coffee bar.

The socialist Government has campaigned strongly against the EPRP, executing 50 people last November.

Today's official press condemned the party and dwelt at length on its criticism that the Government was worse than that of the late Emperor Haile Selassie. Several articles pointed to links between the EPRP and a right-wing group,

the Ethiopian Union (Edu), who have been challenging the Marxist rule in the no

Informal sources troop control and the

Reports from Sudan captured the border

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Tory pledge on defence to détente sceptics

From Fred Emery
Washington, Jan 27

An assurance that a future British government under Mr Thatcher would spend more on defence, "to retrieve the inadequate position" brought about by Labour's £8,000m cuts in planned expenditure, was given here today by Mr Geoffrey Pattie, secretary of the Conservative Party's defence committee.

Mr Pattie, who is MP for Chertsey and Walton, was speaking at the opening luncheon of a conference predominantly attended by sceptics about détente.

Together with Dr Ray Cline, former deputy director of the Central Intelligence Agency, and Mr John Powers, president of the American Plasterers and Cement Masons' Union, Mr Pattie urged vigilance in the face of the intentions expressed by the "Soviet gerontocracy".

He was all for "jaw law" with the Russians, but said that the West should any tendency to snatch any trifles thrown to it by the Soviet Union.

To the Russians, he went on, the relationship between the Soviet Union and détente was the same as the relationship between the bulging inter-gator with his lights and his denial of sleep, and he wrote, voiced apologist who proffers cigarettes. Both inter-gators are after a breakdown...

Mr Pattie, an advocate of Anglo-French nuclear cooperation, also hinted today that the two countries might challenge the strategic balance between the superpowers.

Commenting on the strategic arms limitation negotiations, he said the Soviet-American debate about the very accurate subsonic Cruise missiles "might be difficult to resolve".

Then he added: "If Britain and France proceed with their own Cruise missile development, then before too long the cosy doyen of the superpowers could be challenged. But that is another story."

Mr Pattie's suggestion appears to be the first time that any politician has suggested in public in the United States that Britain and France might also develop these missiles.

He had other warnings. The trend in military disparities favouring the Soviet Union could, he believed, lead to a Soviet blockade on Britain's oil and fish supplies which Britain, with a depleted navy, would be unable to prevent.

"We would then have the choice of hoping that the United States would help us, whereby putting at risk its own cities if there was a nuclear exchange, or we could give in to Soviet demands. I am under no illusions that there would be plenty of support for the latter course", he said.

Hare Krishna is banned in Argentina

From Our Correspondent
Buenos Aires, Jan 27

Argentina's military Government has banned oriental religious sects from proselytizing in the country. A decree declared their activities anti-national and contrary to the principles and institutions of the state.

Police yesterday shut down the Buenos Aires headquarters of the Hare Krishna movement, detaining five of its members. The Divine Light mission of the 18-year-old Guru Maharajji was also affected.

The decree said that while the Argentine Constitution guaranteed religious freedom, religious ideas could not violate national morals and customs.

Concorde finds many New York allies

From Peter Strafford
New York, Jan 27

The Concorde received an unusual boost in New York today when the city's biggest unions and several important groups of businessmen made public statements in support of its being given landing rights at Kennedy Airport.

The statements were read out at a press conference called by the Association for a Better New York, a business group. The theme which ran through all of them was that allowing Concorde to land would bring economic benefits to New York which the city could not afford to turn aside.

One telegram from the Central Labour Council, representing 1,200,000 members, was addressed to the port authority of New York and New Jersey, which operates Kennedy, and to Mr Hugh Carey, the Governor of New York State. It called for Concorde to be allowed to land "as a step forward in air transportation, as a stimulus to economic growth, increasing jobs and employment."

Another was a letter from Mr George Champion, the chairman of the board of the New York Chamber of Commerce and Industry, to Mr Carey. "We feel very strongly that it would be very much to the interest of New York City to allow the Concorde to use Kennedy Airport for a period of three to four months on a trial basis," he wrote.

"New York City is the principal trading centre with Europe in general and London in particular and it is, in our opinion, highly important that we should nurture this close association in every way possible."

This public statement of support for Concorde was timed to come just before a meeting of the port authority on February 10, when it is due to make a

decision. So far, the port authority has only said that it would study the results of six months of landings in Washington, London and Paris before making up its mind.

The hope of Concorde supporters is that the port authority will agree to a trial period for Concorde. But they recognize that the port authority is under great political pressure to prevent Concorde from coming at all because of the opposition of people living around Kennedy.

One of the key figures is Mr Carey, who is due to come up for reelection next year and is presumably anxious about the votes he might lose by letting Concorde in. He has the power to veto any decision by the port authority and his public statements have been hostile to Concorde.

Among the groups supporting Concorde today were the Real Estate Board of New York, the Visitors' Bureau, the Hotel Association, the Building Trade Employers, and the East Side Association. Mr Lewis Rudin, the chairman of the Association for a Better New York, said that it would be "unthinkable" to decide to keep Concorde out.

The Concorde service to Washington had already lost New York business in the form of meetings, hotel revenues and other benefits. It might even have cost the city millions of dollars. It would be ironic if, at a time when New York was on the brink of default, it turned away this opportunity to bring more people in.

Houston and Dallas were already talking of letting Concorde in, Mr Rudin said. Miami was thought to be interested, and so was Montreal. It would be "treasonable" to tell passengers to go to Washington or Dallas and allow New York to become a second-class port.

Egypt to ask Russians to reschedule arms debts

From Robert Fisk
Cairo, Jan 27

The Egyptian Government is expected to make a further attempt to persuade the Russians to reschedule Egypt's debt repayments when a Soviet trade delegation arrives in Cairo tomorrow. The group are officially here to sign a trade protocol for 1977 but officials in the Economics Ministry in Cairo will try to convince the Russians that if the loans are not extended, the Egyptian economy's crippling economic burden—then there is little chance that Egyptian-Soviet relations can improve in the near future.

The Soviet mission will arrive at a time when Egyptian newspapers are daily attacking Russia's refusal to postpone repayment of the estimated \$3,500m which Egypt spent on Soviet arms over the past six years. Russia is also being accused in the semi-official press of helping to foment the allegedly communist-inspired food riots in Egypt last week in which 73 people died.

Members of the Egyptian Parliament have meanwhile been adding to the anti-Soviet barrage by claiming that the Russian trade mission overvalued Egypt for the arms which it needed to fight in two Middle East wars. One Assembly member said that the Soviet Union sold large quantities of rocket-propelled grenades to Egypt for \$2,500 each when the true cost was only \$400.

President Tiro's visit to Egypt, which was postponed last week after the death in an air crash of the Yugoslav Prime Minister, is now to take place in the middle of February, according to official sources.

I feel that without such a meeting where we can settle the basic approach to the problem, our representatives will be unable to make progress even if they agree to meet. Needless to say I am also ready to discuss with your headnote the establishment of a transitional bicommunal administration, as a first step in the right direction, as I feel that the prolongation of the present situation will make it harder for us to reestablish a separate Turkish Cypriot administration. This is put on record that I am ready to meet you at the

Ledra Palace in the presence of the representative of the Secretary-General in order to give you my views on these and all other matters in relation to the Cyprus problem in the hope that we may thus reach some understanding on our respective positions.

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each other as "enemies". A bicommunal political show in which the actors will be these "enemies" does not seem to be a just and fair inheritance which we can leave to our own people.

Any positive step which can be taken in this direction will, I am sure, contribute to a peaceful settlement of the Cyprus problem and consequently to the alleviation of much of the hardships which are at present being suffered by members of both communities, the alleviation of which is contingent upon a political settlement.

I hope you will agree that a meeting between us will be useful for Cyprus in which case I shall be at your disposal for an early meeting at Ledra Palace Hotel.

Bauf R. Denktash
President

Text of Denktash letter to Archbishop

The meeting between Archbishop Makarios and Mr Denktash in Nicosia yesterday was arranged at the initiative of the Turkish leader. Here is the text of the letter he sent to the Archbishop on January 9.

Your Resolute,

In your interview with Mr Robert Fisk of the London Times, you are reported to have said that "with a view to helping a solution to the problem," you have accepted "under certain conditions, a federal solution," adding that "any kind of federation, however should safeguard the unity of the state."

Further, you seem to believe that "freedom of movement, freedom of settlement and the right to property are basic prerequisites to the acceptance of a separate Turkish Cypriot administration."

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Mr Trudeau rules out independence Quebec

From John Best
Ottawa, Jan 27

Mr Trudeau has acceded to the wishes of the Quebecers, making a statement about independence and emphatically declaring that Quebec is not going to secede from the Canadian nation.

The Prime Minister reacting last night at a conference to Mr L. St. Laurent's speech on the Economic Club of Canada that Quebec's independence was "inevitable".

Mr Trudeau said that Canada is facing a crisis and that the province's need for independence is not a separatist movement last

"He went there, he the province's need for independence, he pretended that he elected to bring about independence, well, that he himself did not election on that."

During the campaign up to the electoral his Parti Québécois, que scarcely menti party's goal of separatism, instead of good government, repeatedly attacking the Liberal Administration and mismanaging Americans should about developments.

"They should go on in the province, because separation is to take place," he repeated that what he had said in New

"false".

The Prime Minister's confidence in independence and the independence of Canada going to happen is by all Canadians. Members and Opponents are suggesting Trudeau be more vigorously to lunge from the separ

Mr Trudeau will chance to test the p mate in Quebec makes a three-day province this week.

Some kind of a referendum, the Prime Minister called by-elections to vacant House of seats in Quebec at Prince Edward Island.

The by-elections being billed as "mini-referendum" separation issue.

SEBA
Bertolucci
THE SP
STRAT
ACADEMY CINEMA

The majestic display that is going to make 'Majesty' a best-seller

To produce a well documented, handsomely bound, weighty and yet readable biography of the Queen in January 1977, Jubilee year, is to lay oneself open to accusations of the most blatant commercial calculation. The attack is understandable, but it would be grossly unfair to accuse Robert Lacey of calculation alone. What is happening to *Majesty*—100,000 copies already printed, Book of the Month Club choice in America, sold across Europe—is more a matter of luck and frenetic promotion than original cunning intent.

During the entire first year of his research, Robert Lacey never realised that 1977 was Jubilee year. And British publishers, confused by the vast selection of royal biographies on offer (30 books are due to appear this year) only became enthusiastic about *Majesty* last summer, after the book was completed.

It would, however, also be wrong to say that Robert Lacey decided to write a book about the Queen—a somewhat unlikely choice for a young *Sunday Times* Magazine writer and editor—for pure historical interest, and her merits as a subject alone. After two respectably-selling Elizabethan biographies, Robert, Earl of Essex and Sir Walter Raleigh, Lacey was casting about for a new topic three years ago, and mildly lamenting the fact that his books did not seem to bring in quite the rewards of Antonia Fraser's *Mary Queen of Scots*, when the late Tony Godwin, his editor and a close friend, said to him: "You have to make a creative leap in biography writing. Think of a subject more like a product—something everyone must have." Robert Lacey's wife, Sandi, who as a younger sister has often identified herself with Princess Margaret, suggested the Queen's sister, Tony Godwin said: "In that case—why not the Queen?"

An advance equalling two years' salary on *The Sunday Times* freed Lacey from office ties, and gave Tony Godwin and Harcourt Brace and Jovanovich Inc world rights to the proposed book. Lacey embarked immediately on an intensive programme of reading—he admits that though a history student at Cambridge (and a would-be but failed history don) his knowledge of English history stopped at 1918.

He waited a year before announcing to the Palace what he was doing, largely out of terror that they would say no to anything he asked. The Queen never gives interviews. She made no exception for Lacey. But unofficial approval was clearly granted, and other members of the Royal Family—whom Lacey is under oath not to name—did talk to him, as did past



Prime Ministers, secretaries, Palace staff and friends.

The result is an extremely fluent book, but it is more the description of an institution—the monarchy—than a portrait of a person. Robert Lacey conveys his fascination with contemporary history-cum-journalism only too strongly: he became so engrossed in the period before the Queen's coronation that 60,000 words on the Abdication had to be cut as irrelevant.

His reluctance to come back to the Queen herself is very apparent. His instinct was right: *Majesty* flags wherever the Queen appears. Writing about figureheads has its drawbacks. The details about what the great have for breakfast are briefly entertaining, but only briefly (and it helps if the great happen to be remarkable themselves).

Lacey puts his position more tactfully: "If I were to pull out of the book what the Queen thinks and feels it wouldn't cover more than a couple of pages [the book is 331 pages long]. The elixir has been spread very thin." It was a good decision to spread it as thinly as he has done.

He has, however, managed to write in a tone which is neither mocking nor adulatory. If at times he seems to verge on the royalist, it is probably because the reader is on the constant look out for tell-tale signs of sycophancy. "I tried," he says, "to strike a balance between independence and affection." The result is not quite critical, but it is detached.

One of the most interesting aspects of *Majesty* is the light it throws on the promotion business. It is going to be a best seller, there is no doubt about

that. Two and a half years went into the research and the writing. Six months are to be devoted to pure promotion. A subscription tour of British bookshelves last autumn—carefully angled for area and market—have brought in unprecedented orders. Robert Lacey has been interviewed, looked at, talked to and finally auctioned (to Hutchinson last summer, for between £40,000 and £50,000). Next week he sets off on a promotion tour of Australia, New Zealand, India and America that will not end until after Easter.

The effort is paying off. He made £5,000 out of *Raleigh*. He is likely to make £100,000 from *Majesty*. He has not decided what to do with it: he has a warm, cluttered house in Dulwich which he may exchange for a larger one. Otherwise, "I shall get my car serviced on time, and buy better wine—but not above £2 a bottle."

What can he do next? Whatever the actual merits of the book itself, there can hardly fail to be something largely ephemeral about biography-writing which—however it started—has turned into such a naked exercise in publicity. Robert Lacey is well aware of this. One of the first things he intends to do is to return to the staff of *The Sunday Times*. He is in any case sick of working at home, "with Sandi (a designer) out all day and having nice lunches in town, and Sasha and Scarlett (his two children) coming home after school, and me sitting here like a neurotic housewife." He is just 33, a tall, lanky man with faded jeans and a lot of hair.

But writing *Majesty* has also cleared his mind. He was much mocked by friends when he announced that he was going to write a book about the Queen, and went off with a feeling of guilt reinforced by his original desire to be a serious historian. Both the guilt and the doubt have now vanished. For one thing he became genuinely engrossed in his subject, and is rightly pleased with what bits of original contemporary reporting he has been able to include. But more than that he feels that *Majesty* was his first serious effort at real biography. "Essex and Raleigh were both rehashes. This was mine," *Majesty* has dulled him as an historian; but he takes new pleasure in being a journalist, and whatever he does next it will be to do with people who are still alive, and events that are near enough in history to be reported.

Majesty: Elizabeth II and the House of Windsor, by Robert Lacey, Hutchinson £5.45 (published on January 31).

Caroline Moorehead

Spreading the glory of the Tate

Visitors to the Tate Gallery over the next few months will find more than customary congestion and chaos. Paintings will be hung unusually thick upon some walls, and there will be some startling juxtapositions and strange bed-fellows, cheek by jowl and Bacon by Hockney. This is not a new policy of art of the incongruous introduced by Sir Norman Reid and his colleagues, nor another brick sculpture jape, but the first dawn of more spacious days within the appropriately sugary architecture that the original Mr. Cube erected on Millbank.

The Tate Gallery extension, for which we seem to have been waiting as long as Penelope waited for Odysseus or Whistler for Ruskin, is nearly finished. Or, to be exact, there has been another last-minute hitch, this time with the air-conditioning. But the end is in sight, and the extension is due to open in the autumn. It will provide half as much hanging space again as the present gallery, bringing welcome relief to the Tate, which is more embarrassed with riches than most great collec-

tions. At present it can display only between 1,000 and 1,200 of its paintings at one time; its collections consist of about 8,000 paintings; so the rest have to be stored unseen.

The extension, by providing more space and more flexible space, will enable the Tate to reconcile its difficult double function as both historic national collection and gallery of modern art from all over the world more happily than ever before.

The extension is designed as a single large space, free from supporting columns, so that all services have to be accommodated in the roof. It can be divided into 21 separate bays, each approximately 30 feet square and at least 16 feet high. The roof of each bay is a separate unit containing independent air-conditioning and both natural and artificial lighting.

The Tate has decided to use the first six months of its new space as a celebration to display its permanent collections more fully than has been possible before. The whole of the left side of the building will be occupied by the Historic British Collection: paintings, including a selection of drawings and watercolours, and a few examples of sculpture, from the sixteenth century to the early twentieth century. The Modern Collection (British and foreign art since circa 1875) will occupy the whole of the

right side of the building, including the new extension, and also the space down the centre of the building, which is normally to temporary exhibitions.

The first, open-air autumn will show more from 1875 to about 1930, three months it will be ceded by an exhibition of the Tate's best art of the 20th century. For the coherence, the two displays have a small overlap 1945-55.

The Tate will begin its grand new, shortly. Moving galleries longer and more laboursome than moving. Accordingly, to meet its starting to rehanging Modern Collection now. Three or four, be out of action at a time more paintings than will have to go into store. To avoid the public over the months, the Tate is for the interim a crowded display important and popular.

Philip

At last the facts on fresh food

Latest evidence from the Price Commission will bring gloom to lovers of fresh food and joy to manufacturers of sausages, fags, fish fingers and tinned vegetables. The commission's index of fresh foods, published yesterday, shows that they rose faster last year than all foods taken together, which in turn rose more than the cost of living in general.

Food processors are sure to seize on the commission's evidence to promote the comparative cheapness of their own products. The figures are official, after all. They are also unusually detailed and offer the best available data about a section of the food trade where obscurity has encouraged suspicion and accusations about profiteering.

Prices of fresh foods are not subject to the strict controls under which processors of food have groined for almost four years. If a maker of instant mash wants to raise his price he must tell the commission and expect to suffer an order to

cancel the increase if it turns out to be against the rules.

If fresh potatoes go up and up, there is little that the commission can do. It has no power to impose a ceiling on prices either directly or by squeezing grocers' profits. Instead it makes regular surveys of fresh foods, which have shown so far that the shopkeepers have little chance of getting far enough round the pressures of competition to make excessive profits.

Price changes over the year to November belie the claim of meat traders that prices of fish have risen faster than those of meat. They also show clearly the slowing of inflation on bacon which has stimulated an increase in consumption after years of decline.

Although fish prices rose by about a tenth during the autumn, prices of some popular meat cuts increased by more than that. The commission found that the size of price rises on the most expensive cuts was less than those on the cheaper ones.

The less expensive, the faster it increases. The index of lamb went up by 10 per cent, best mince the pound, leg of lamb the pound and cut 6p in the pound.

The key to the fresh food trade is the sliding scale of the weather. In the winter, crops grow as then consumer prices will take of shortages as the much discussion about prices.

Suppliers of fresh that if prices rise to shoppers will buy else.

Price rises on fresh food 1975-November 1

Meat
Bacon
Eggs
All fruit and vegetable (Potatoes alone)
Fish
Change in fresh foods
Source: Price Commission

Hugh

This monument to our city-state and its deities may survive the very seasons themselves.

Pericles. The Greatest Statesman of Ancient Athens 447 B.C.



For ten months of the year, and every year, countless thousands of people, from all corners of the modern world, set out on a pilgrimage to witness perhaps the most awe-inspiring monument in all the ancient world.

A stunning architectural achievement, the radiantly beautiful Parthenon on the Acropolis, was built wholly of marble and conceals structural refinements that continue to baffle the world. An unsymmetrical marvel that to us, mere humans, appears symmetrical.

The Acropolis dominates a modern Athens that is almost unique as a twentieth-century holiday experience. For here the visitor has very nearly the whole year from which to choose.

From February, time of sales and carnivals past the heat of July, and on through to November, Athens' magnetism never fades.

And Athens' off-season is a real discovery. A perfect climate. Beaches and the Aegean free from the maddening crowd. A multitude of winter festivals, and the nightly pleasures of the Opera and the Theatre.

A chance to meet the Greek at his most relaxed. And, most of all, a peace that can be experienced, but never described.

The unhurried traveller can truly explore, wherever his curiosity takes him.

The treasured moment to the mighty god of the sea, Poseidon's temple at Cape Sounion, marks the corner of the world that the sun chose for its most dramatic sunset.

Or the Saronic Isles, Aegina, Poros, Hydra and Spetsae. Each a perfect island paradise of soft sand and miniature villages.

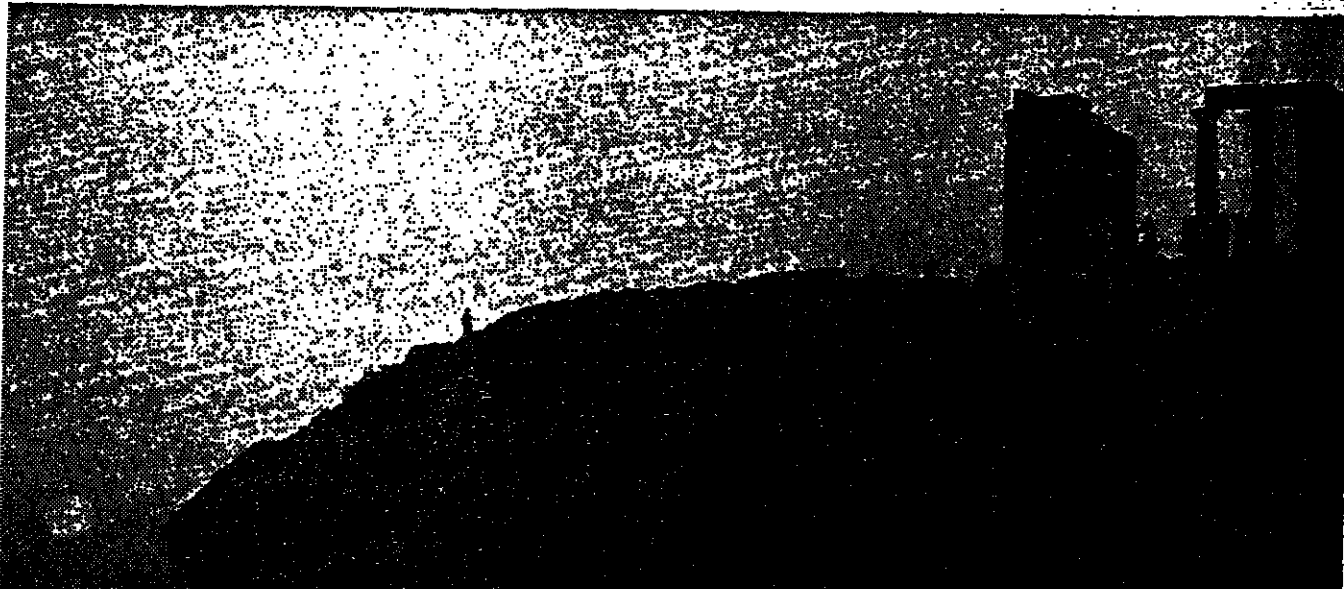
Or Evia, a massive peninsula-like island created, it would seem, solely for the sun-worshipper. Mile after mile of golden beaches, including that oasis in a supersonic world, the deserted cove.

Or further afield, the breathtaking splendour of Delphi, the ghostly quiet of Olympia, and even Marathon itself, a modest twenty-six miles and a few hundred yards away (as the athlete runs).

Athens, and in fact the whole of the Grecian World, has a welcome that stretches from the first day of spring to the last day of winter.

Just ask your travel agent or write to us and we'll send you all the information you need on the massive choice of high-season and off-season holidays and how to fly there on our national airline, Olympic Airways. Write to: The National Tourist Organisation of Greece, 195/197 Regent Street, London W.1. Our number is 01-734 5997/8/9.

Who can say which month you will choose to begin your Grecian adventure? But one thing we are sure of. No month in Athens would be complete without a journey to the majestic monument that once filled Pericles' dreams.



Greece and the Hellenic Isles.

They're closer than you think.

NICE

Challenge for capital of Riviera

a Special Report

Largrove the charm of the old town brought on the end of the century the ever-busy, who all through the years, with all the ideas which have been put into it, industry, revolution of old receives visitors.

Nice has long been a major tourist centre. It was built on the site of the old Palais Royal, which was destroyed at the end of 1974 in order to win back to Nice the wealthy international clientele which had tended to desert it in recent years. As a result, last year the town recovered its place as France's top gambling centre ahead of Divonne, on the Lake of Geneva, with earnings of 81m francs.

At the Ruhl Casino, I was shown the 500,000 francs (about £62,000) chips, which do not exist anywhere else in the world, specially made for the wealthy Arab clientele. In the special "Louisiana" gambling salon, with blue baize tables instead of the usual green, the maximum stakes have been raised from the 50,000 francs limit of all big French casinos to 100,000 francs.

Nice is not just a resort town, a compound of Brighton and Blackpool, geared to the needs of the immigrant population of tens of thousands of tourists and businessmen who flock to it each year. It is also the capital of the Riviera, a town with a large resident population and it is growing by 6,000 each year, through immigration, as deaths substantially exceed births.

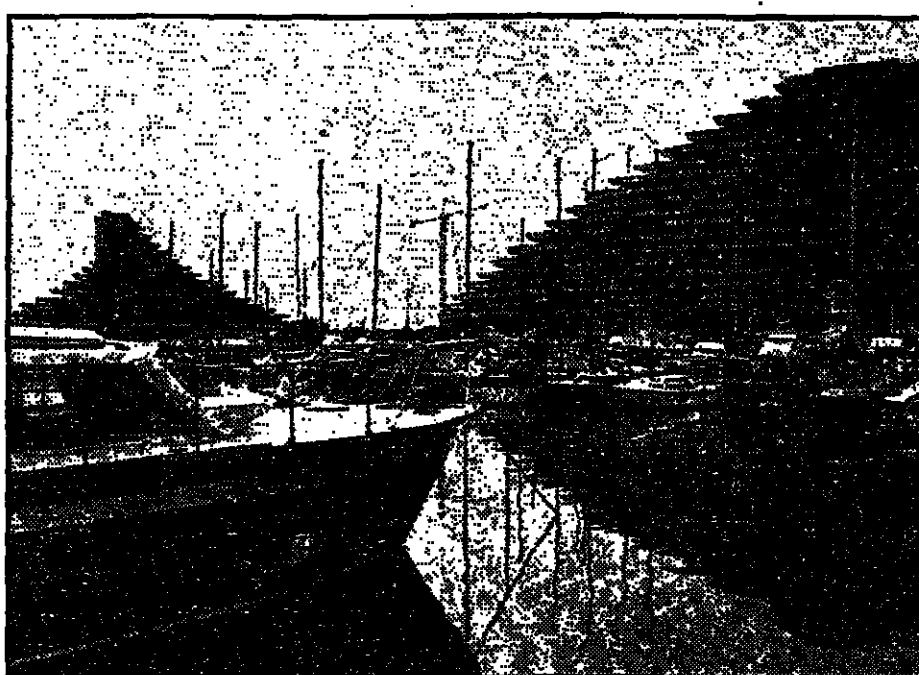
The difficulty which faces it, as M. Médéric, mayor, says, is to provide immediate housing, public services, welfare, educational and cultural amenities for a town which grows at this rate.

The immigrants have to be found jobs, too. The proportion of the active population to the total is one of the lowest in France—38 per cent as against 40 on average in the rest of the country. Unemployment or semi-unemployment is one of the highest in the whole of France, because there are no big industries, while tourism and building provide too narrow and insecure a base for so large a working force.

This means two things: that Nice is condemned to a permanent process of modernization and development; and that new activities have to be created to supplement the traditional ones. All this has to be done without destroying too much of the character of the town. "Some nostalgic people," the mayor told me, "deplore the passing of the Nice of yesteryear. But if it had been preserved Nice would now be a dead city." In the process, some of the charm has inevitably been lost. But the old town to the east,



The lighter side: carnival preparations (above), the Baie des Anges development (top right) and a flower stall in the Old Market.



photographs by Carlos Frere

Mass tourism rings the changes

by John Ardagh

When Sa Majesté Carnaval XIII rides out in ceremony next month, and the coloured rockets explode into the night, and the confetti rains on the giant grotesques, who will be watching? American convention delegates, Japanese with their cameras, Iranians with their reindeer, package groups from Holland and Sweden... and even a few survivors from the nation that created tourism on this coast and gave its name to this proudest of promenades.

Today the British are no more numerous than the Japanese or Arabs: each account for some 10 per cent of the Côte d'Azur's two million foreign visitors a year, with the Americans in first place (30 per cent) and the Germans (15 per cent).

Times have changed indeed, and Nice and the other resorts have been changing too, to meet the new dictates of mass tourism and conference tourism. That is where the money is. The Alpes-Maritimes is still the leading tourist department of France, with four million visitors a year. In August, Nice's basic population of 360,000 swells to 600,000, and the coastline is congested, despite the new motorways. May, too, height of the festival season, is a frenzied month. The world economic crisis has not yet affected tourism as much as was feared—but there are clouds on the horizon.

Of all the resorts, Cannes has succeeded best in cashing in on the convention boom while retaining its glamorous image. It has a dynamic tourist policy, coordinated by the mayor and his staff. He is M. Bernard Cornut-Gentille, former minister under de Gaulle. His director of tourism, M. Jean Roman, told me that the town's awful tall buildings on the skyline are not in our commune: here, we allow no new building higher than the towers of the Carlton, eight floors. And we've banned through traffic along La Croisette.

In season or out, Cannes looks as chic and spruce as ever, for all its oddly varied clientele. One of its assets as a conference town is that the main venue, the Palais du Festival, seating 1,500, is ideally placed in the middle of La Croisette. Here the film festival alone attracts 40,000 delegates (if the medley of paparazzi and would-be starlets can thus be whittled down to the annual total of business tourists is 250,000).

Most of the luxury palaces, such as the Carlton and Majestic, now do the bulk of their trade in conventions. They even have a few package tourists too, discreet and well-off. And 11 new first-class hotels have opened in Cannes since 1973.

Nice does not do quite so well. Its tourist policy is less well organized and its main convention centre, the Palais des Expositions, though vast, is unlovely and sits away from the town centre. Nice is less of a pure resort than Cannes: five times larger, it is also a hectic commercial metropolis, so that tourists may be less inclined to choose it for a full hotel holiday.

The hotels rely partly on passing trade. Some of the grander ones, notably the exotic Negresco, retain a faithful clientele and still do good business. But it seems significant that the largest new hotel, the 438-room Méridien that opened in 1973 on the site of the old Ruhl, has never proved a success. Its operator, Air France, is cutting its losses by closing 100 rooms and reducing facilities.

The lesser hotels, too small for the convention traffic, share the general problems of France's hotel industry. Their French clients still perforce refuse to take summer holidays outside July and August. And though a fair trade can be done with foreign groups in early summer or autumn, the high season is too short for profitability. Add to this the public's growing preference for camping, or staying in holiday flats, and the new mobility of the French who instead of a month's stay in one hotel may pass through Nice by car and spend three or four nights.

All this makes hotel-keeping a hazardous business. On top of it has come the economic crisis which has not yet reduced numbers but begun in 1976 to affect spending. "Our visitors are cutting back," a tourist official said. "They're staying a shorter time or in cheaper hotels, they spend less in the boutiques, and instead of a restaurant blow-out they'll make do with a picnic." Even the French, if this goes on in 1977, a lot of people here will go out of business.

These are the problems of most of the Alpes-Maritimes, which is seeking to diversify its appeal to compete with other holiday areas. Above all, its publicity is trying to destroy the myth that this is exclusively a playground of the rich.

To be sure, the coast has more than its share of glamorous and expensive places, still patronized by the wealthy or famous—La Réserve at Beaulieu, the old Eden Roc, and others. They help to give this coast its special cachet. But the thousands of simpler hotels and restaurants are no more expensive than in other holiday areas, and often give better value. This is not always appreciated.

The Côte d'Azur is also trying to extend the already dazzling variety of attractions that it can offer in one small area, from casinos to Picasso, from beaches to Roman ruins. New ski resorts have been created in the Alps, two hours' drive from Nice. One of the most ambitious, Isola 2000, was developed by a British firm.

The coast's celebrated range of modern art centres is being increased. A recent addition is the handsome new Chagall museum in Nice. The city now has an open-air jazz festival every July, in the Roman arena at Cimiez. And it is even trying to give a face-lift to its old carnival. "This event has become too formal and professional," an organizer told me. "In the old days, the Nigois treated it as their own, they joined in exuberantly as in Rio or Port of Spain. Today they are too biased, they just stand by and

Altering the scenery

by Michael Hanson

Alvaro Moura, for the development of 1,016 villas in a scheme known as Les Hauts de Vaugrenier.

That is not the most controversial residential development on the Côte d'Azur, however, which distinction seems to belong to the plan to build 4,000 villas on 1,000 acres of unspoiled hillside at Vence, by a company known as Vence Developments. Nevertheless, there is likely to be a ready market for these properties, 70 per cent of which will probably be bought by French purchasers, either as holiday homes or for their retirement or as an investment.

That is good news for those who like the French Riviera the way it is, for recent developments have already had an impact on the environment, and more are on the way, though many schemes have been tipped in the bud by conservationists or by the declining fortunes of property developers, some of them British.

There is no room for complacency, however, for some of the largest developments are now under construction. The biggest commercial development scheme is just a large hole in the ground at the mouth of the English Property Corporation's Etoile Centre project, which will occupy a whole block on the principal shopping street, avenue Jean Médecin, at its junction with boulevard Dubouché.

First announced with a flourish just seven years ago, it is not EPC's fault that construction work has only just started, for the city council did not complete its compulsory purchase of the last part of the site until last year, and final planning permission was granted only a few months ago.

However, it is residential development that has done most to alter the face of the Riviera, with new blocks everywhere along the coast—even though the sea between Marseilles and Genoa is the most polluted in the whole of the Mediterranean, being described as "a cheap sink for industrial wastes" in a recent report by the environmental directorate of the Organisation for Economic Co-operation and Development (OECD).

That did not discourage the developers of marinas, of which there are now 14 on the Côte d'Azur, though protests from conservationists have led to a ban on the development of more between St. Tropez and Monte Carlo. It was not so much the yacht harbours themselves that were unpopular, as the fact that they came to be regarded as a pretext for massive residential development, the most spectacular example of which is the Marina Baie des Anges development at Villeneuve-Loubet, only five kilometres along the coast from Nice airport.

It is also at Villeneuve-Loubet, inland from the Marina Baie des Anges development, that big new developments are taking place on the 3,000 acre family estate of the Marquis de Panisse-Passis. Here a site of 50 acres was sold to Texas Instruments for an electronics factory, and 300 acres was sold to a local developer, designed by the late Sir Basil Spence, the Mariposa scheme achieves a standard of excellence that is all too rare today. "We may never see it again," says Mr. Peter Buttery, of eWaterfall Green and Smith. "The quality of construction is up to pre-war standards."

High standards of design, construction and landscaping are also being achieved in the Valbonne development, but will they be observed elsewhere if the Côte d'Azur attracts the other commercial and industrial development that may be expected now that the motorway link with Paris is complete, and the airport at Nice, already the second busiest in France, is being doubled in size, by building on land reclaimed from the sea? This will increase its capacity to 10 million passengers a year. When they start to arrive, will the charm of the Côte d'Azur remain?

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Elective dynasty

by Charles Hargrove

There is something almost feudal about the relationship between Nice and the Médécine family. For more than half a century it has ruled the town. Jean Médécine, the father of the present mayor and junior Minister for Tourism, headed the municipality for 37 years.

When he died in 1965, it seemed the most natural thing in the world to members of the town council that his successor should be his own son, Jacques, who at the age of 38, already had substantial experience of local politics. It was hardly an election, a newspaper not suspecting of left-wing sympathies recently commented, but the simple devotion of a fief.

"There is a lot of talk about a Médécine dynasty," M. Jacques Médécine told me. "But it is very much an elective one, because every six years one has to return before the voters; and those of 1976 are very different from those of 1928, when my father first became mayor."

He faces reelection next March against a more or less united left, with the right divided by the candidature of supporters of M. Michel Jobert, the former Foreign Minister of President Pompidou. Perhaps also, old dynastic loyalties are weakening, and the creation of a university and the remarkable expansion of the town since the war have loosened the personal Médécine hold on it.

Mentalities are also changing in Nice. The rather authoritarian paternalism of the mayor, whatever the benefits it has brought to Nice in the past 11 years, is less easily accepted in the political climate of post-1968 France than it used to be.

But M. Jacques Médécine is not in danger politically. His control of the political apparatus of his city is too complete and effective. Nor is he one to be assailed by doubt or indecision. He is a man of immense vitality and dynamism, and reputedly of far-reaching political ambition.



M. Médécine, a mayor without doubt.

What his enemies cannot take away from him is a great personal charm and a sort of breezy amiability; an instinct for local feeling; an incomparable knowledge of what makes the Niciots tick; and a close ear to the ground for their deep-seated moods and moans.

"I give the Niciots a reassuring image. They know I will not upset their habits, or change the aspect of the town. One must maintain that tradition and character, and at the same time adapt the town to the requirements of modern life, and of the 250,000 tourists and visitors who come here almost 10 months out of 12," M. Médécine said.

It meant modernizing public services and utilities the whole time, and planning not for a population of 400,000, but of a million and looking to the future. It was a costly affair. All this had to be done in an area where flat land was scarce, and the difficulties of building were comparable to Mexico's.

Not one of the 20 communist councils in the Alpes Maritimes could show anything like his old people's homes. They were models of their kind. The prayers of the left claim. I am an apostle of the left. But my club for young workers is unmatched in the whole department. It is not a skimmed, prefabricated job, hidden away somewhere, but a good, light, airy, substantial building, set in a housing estate,

with all the necessary amenities.

The communists had launched a campaign for the construction of council flats on the fringe of green hills surrounding the town, which was an essential part of its environment. But he had resisted the pressure. "Le Nouvel Observateur" (the independent left-wing weekly) recently suggested that Nice was a city of housing scandals. But if some speculators have gone bankrupt, it is precisely because they could not get away with shady deals, and were opposed by a mayor who defended the character and environment of his city," M. Médécine added.

Some deplored that the old prewar charm of Nice was lost. "If Nice had preserved its between-the-wars charm, it would be a dead city now. It had to evolve. Fifty years ago, a few hundred privileged families came to Nice for winter holidays. I had a grandfather who owned a hotel of 140 rooms. Six Russian families of great wealth with plenty of leisure, used to take them all up for the season. The Russians of yesterday are replaced by the Arab sheikhs and magnates today. But this is a recent phenomenon."

Tourism had changed in character. There was more and more mass tourism. Nice, as a tourist centre, must adapt to the requirements of several different clienteles. Here, they cohabited harmoniously.

"I have always defended the image of Nice as a holiday centre for all. Do you know that one can have a very decent meal here for 35 francs? There are leisure facilities for every purse. At the same time, in order to amortize the extensive tourist facilities of the town, I have pursued a deliberate policy of varied activities over 10 months in the year."

I asked him what truth there was in the rumours that the Promenade des Anglais might change its name. "There never was any question of that either," he said. "There is a real cult for the British Royal Family in Nice and a great attachment to the memory of Queen Victoria, who was our best public relations agent. Nice is one of the towns in France where the population is most widely English-speaking. It is rare to go into a shop and find no one speaks English."

He deplored that the British consulate in Nice had been closed. But that, he said, was not Britain's fault. It was the fault of the French political structure.

by John Ardagh

France's much-trumpeted new scientific park on the wooded plateau of Valbonne, just inland from Cannes and Antibes, continues to come into being slowly. The world economic climate has set it behind schedule, but firms are still signing up to settle there. Last month, a new contract was announced: Dow Chemicals will transfer its European headquarters, joining other firms such as Rohm and Haas whose chemists and executives are already at work in this pastoral setting, amid the scent of lavender and the whirr of cicada and bullock, with wide views towards the Alps and the blue Baie des Anges.

The plan for the Valbonne park was launched in 1969 by Pierre Laffitte, now director of the Ecole des Mines, Paris, and originally from the Nice-area. The purpose was to help to diversify the economy of the Alpes-Maritimes, far too dependent on the building industry. Today the unemployment level in the department, 8 per cent, is the highest in France; the description "playground of Europe" seems almost a sick joke.

So what is the answer? Tucked away in a corner of France, this highly-populated strip of coast is not suited for heavy industry. Nor has it ever had much. In the days when Queen Victoria stayed in the monstrous pile of the former Hotel Regina at Nice, she wanted lifts to the upper floors, so a local elevator industry grew up to meet her demand. But the last of its species is about to close. Today, this kind of industry is no solution.

On the other hand, the Nice area would seem to be suitable as a venue for research and advanced technological services, and maybe for international company headquarters. It has a new university, with 17,000 students. It has the leading French airport outside Paris, with direct flights to many parts of the world. And above all, the sunny and glamorous Côte d'Azur is hardly an area to which it is hard to entice senior staff.

Even before the Valbonne venture, the coast was evolving in a scientific direction. IBM was the pioneer. In 1962 it decentralized its main French research plant from Paris to a pleasing location on a hill above the Var valley at La Gaude, near Vence, where it now employs 1,300 people. 28 of them British. It has since been followed by Texas Instruments, which does research

and light manufacture at Villeneuve-Loubet, and by several French firms including Thomson CSF.

A number of advanced research bodies are already scattered about the area, to an extent seldom realized in the outside world. Among others, there is an oceanographic centre at Villefranche, a geodynamic and astronomical centre at Grasse, an agronomic centre at Antibes and a satellite research unit at Cannes. "And here," one scientist grumbled, "most people still think that all that happens round here is bathing, gambling and carnivals."

The purpose of the Parc International d'Activités de Valbonne Sophia Antipolis (to give it its full name) is to give a new and stronger focus to this trend by providing a carefully planned and fully equipped site with space for dozens of centres. The inspiration has come partly from the new American scientific parks. The hope is that one day this could be the leading European complex of its kind, especially as Nice is well situated for dealing with the expanding economies of Mediterranean and Middle Eastern countries.

M Laffitte's initial project was for a modest 300-acre zone, to which he gave the happy name of Sophia Antipolis, being the old Greek words for wisdom and Antibes. Sophie was also his wife's name. This zone was later extended in 1973 to form a much wider 6,000-acre reservation covering the wooded hills and valleys between the coast and the picturesque Provençal village of Valbonne.

Despite its closeness to Cannes, the site was still surprisingly unexploited. Today the project is masterminded by a consortium of municipal bodies, with the Mayor of Menton as president. The Alpes-Maritimes Chamber of Commerce is executive agent for the provision of main services, and the Government in Paris keeps a watchful eye, helping to find clients and grant them subsidies. It is careful not to intervene too directly on the local level.

The firms already at work seem pleased with their choice. The director of Rohm & Haas told me he had no difficulty in persuading his senior international staff to come to live in the area, nor in recruiting good local labour including bilingual secretaries. The park lies beside the Nice-Paris motorway, and is a 15 minutes' drive from the airport.

The only serious criticism

I heard is that Nice airport, though busy, is too tourist-oriented and many flights are purely seasonal.

The most serious threat comes from the state of the world's economy. Since about 1974 clients have proved harder to attract. Rank Xerox had bought an option at Valbonne for building a data processing centre, but recently cancelled this as part of its world cut in new investment. A number of other firms are hesitating to complete their contracts, while a Valbonne spokesman admitted that some foreign firms seem to be waiting for the results of the French elections.

This dragging of feet is causing anxiety, for it means that the heavy costs of infrastructure (800m francs) will

take longer to amc this will be a burden finances. One criticism that the as so often in France conceived on too a scale.

If the world's brightens, these may prove no a temporary. After from the problem costs, Valbonne is to stay particularly scheduled. It is a scheme whose success not be judged in 10 or 20 years, it marks an attempt to provide a longer life on the coast. Yet the climate, s other delights of Valbonne's points.

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Being British

Nice, as we know it today, is a creation of the English. Even if one makes allowances for the rather splendid temperament of Tobias Smollett, it was a rather poor and grubby little Mediterranean town before they discovered it in the latter half of the eighteenth century.

He spent a year and a half in Nice, and developed a peculiar love-hate relationship for the town. His description of it and its inhabitants is hardly flattering. No wonder Lord Shelburne refused his application for the post of British consul there. But it was Smollett who wrote that "such is the serenity of the air that you see nothing above your head for several months together but a blue expanse of sky" and enthused about the flowers and the countryside "cultivated like a garden".

By the mid-1780s there was already a sizable English colony of fashionable holidaymakers, and of invalids, the sun and air being regarded as ideal treatment for consumption. It patronized almost exclusively the Croix de Marbre district, without the gates then, and now just north of the central part of the Promenade des Anglais.

Two new hotels were opened to accommodate them: the Hôtel de la Ville and the Hôtel des Quatre Nations. They built handsome villas in spacious gardens, or rented them as much as £130 for the season. The winter one of course. This fashionable *faubourg* was generally

known as Newborough to its residents and referred to in jest by the natives as Le Petit Londres.

Before Cannes and Monte Carlo began towards the end of the last century to steal some of the show, the procession of fashionable and distinguished British visitors did not let up, and the railway, which reached Nice in 1864, discharged ever-increasing crowds of elegant visitors.

The most prominent of these was Queen Victoria who spent six weeks at Cimiez, another residential area, between 1895 and 1899.

Even before the end of the eighteenth century, they so dominated the scene that, as Mr. Roderick Cameron writes in his delightful book on the Riviera, for many years to come, any foreigner, despite his appearance and accent, was taken for an Englishman by the local authorities, and about two-thirds of them live in Nice or near by. Many are not registered and some, wives or widows of British subjects, speak little English. They tend to keep to themselves, I was told, and do not go out much, save to borrow books from the English library in the basement of the church, or read English newspapers.

These Britons who settle on the Riviera nowadays are of the more affluent kind and do not choose Nice, which is too much of a town, and in summer is thronged with trippers.

There is a small band of British businessmen running local branches of British banks, airline offices, real estate companies or lawyers' chambers, and a local branch of the British Chamber of Commerce is planned. But attempts to get local cricket team going, the vice-chairman of the Royal British Legion told me, had failed.

But Nice remains popular with British tourists. They arrive on charter flights or package tours in droves, mainly during the summer, and find Nice a convenient place for trips along the coast to Cannes or Monte Carlo or excursions into some time to accept the fact that the British, on the whole, were no longer rich.

The change began when Nice became a summer resort, as well as a winter one, after the First World War. Many retired British civil servants and professional soldiers still came to settle, attracted by the climate, the friendly atmosphere, and the relative cheapness of the cost of living, for Nice was less ex-

pensive than other resorts on the Riviera, and still is. They felt at home there.

Some pensioners have been hit hard by inflation and the falling pound and have had to go back to Britain. There are dramatic cases of old English spinners, governesses or lady's maids, who turn to the Church or the Royal British Legion for help. They have no relatives, no connection left in Britain, and Nice is their home. Some of them have gone to live in the country behind.

"You would be surprised how many English old maids you find in remote villages up country," a long-standing British resident told me. "Their rents are cheaper, and they can live on practically nothing."

How many there are is difficult to assess. There are some 2,434 British citizens in the Alpes-Maritimes registered with the consular authorities, and about two-thirds of them live in Nice or near by. Many are not registered and some, wives or widows of British subjects, speak little English. They tend to keep to themselves, I was told, and do not go out much, save to borrow books from the English library in the basement of the church, or read English newspapers.

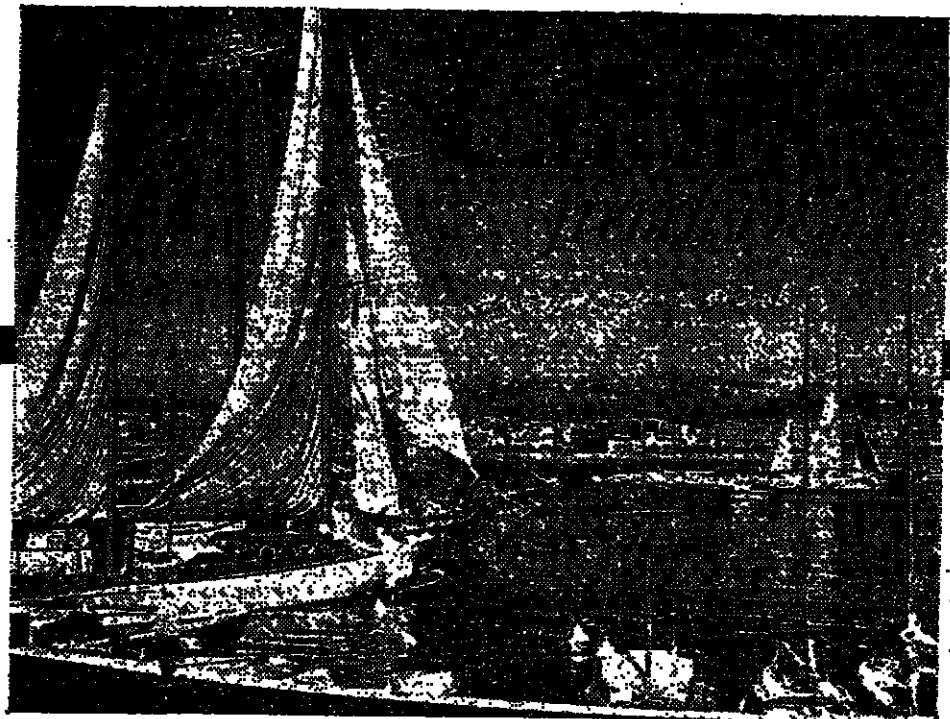
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In summer 24 regular flights a week-as well as charter flights-bring in the crowds direct from London from the beginning of April. Many also come for Christmas and the new year, and they are so in growing numbers. This year, larger aircraft are going into service on the Nice-London route to cope with the increased traffic.

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Communications gap

Vivès stage of construction, they make inroads into the hills so dear to the nature lovers and environmentalists and reefs its mil have attracted a great deal of protest, but will bring much-needed relief to a city of the whose population is almost trebled in the high season by the inflow of tourists.

Nice to La Pointe de Contes (more than 15,000 vehicles daily) is being built to reduce traffic in one of Nice's industrial areas and bring relief to the Le Pailon valley which was in danger of suffocation. Here as elsewhere the geological nature of the location dictates an undulating winding route necessitating many construction works.

Cagnes to Venice has been under discussion since 1963 but, in what must be recognized as a particularly picturesque area, the ecologists are ever-watchful and a painstaking record has to be kept of every tree destroyed and immediately replaced. The La Colle sur Loup section will be completed this year; that serving Venice in two years.

Cannes to Grasse is another old scheme, first suggested 16 years ago. The road, between these two towns will be like a motorway, running through the most distinctive provincial countryside in the département. The land on the route has been left undeveloped. Menton to Sospel, routed to pass under the Col de Castillon, is scheduled for completion within two long.

In autumn, 1979, the final section of the A8 motorway from La Turbie to Roquebrune will be opened; it will then be possible to drive all the way from Paris to Rome by motorway.

Whereas Marseille is building its Metro, Nice, not to be outdone, has been waiting for three years for its computer controlled cabins designed by Matra.

The municipal authorities liked the concept of this elevated Metro, a public transport service running on its own routes. The town's engineers knew that they could not build an underground system because of the nature of the Nice soil and placed their trust in the Véliby firm.

Following the example of other French towns, Nice hopes to introduce a revolutionary form of transport to complement the services at ground level, with cabins capable of carrying four to 12 passengers travelling an overhead network at speeds of up to 50km an hour.

The author is Nice Correspondent, Le Monde.

by Patricia Tisdall

The art of flower growing and, from this, the manufacture of perfume play an important part in the economy of Nice. The town of Grasse, about 35km north-west of Nice, has about 20 important perfume houses and is said to be the birthplace of French perfume.

Closer to Nice at the Cap d'Antibes is the internationally known Matland Research Centre which specializes in roses for sale both as cut flowers and for planting in gardens. Antibes is also known for its fields of carnations and has been described as the capital of cut flowers.

An important attraction for tourists as well as traders is the flower market in the Cours Saleya in the old town of Nice. Less picturesque but more important commercially is the bigger market at Nice-Saint-Augustin, probably the most important flower market in France.

Flower cultivation and market gardening are, next to tourism, the most important of the traditional industries of the region. So far, at least, neither appears to have been significantly

affected by restrictions imposed by the authorities for environmental reasons.

Perfume making was introduced to Grasse in the sixteenth century when the town specialised in tanning leather and making gloves. The development of fragrances came with the Italian Renaissance fashion for gloves and doublets treated with perfumed grease or oil.

Gradually, during the eighteenth century, the production of perfume came to dominate the economy of Grasse and the glove and perfume makers abandoned glove making to concentrate on perfumery.

By the middle of the nineteenth century large firms such as Fragonard and Molinard had been established to use locally-produced aromatic plants and flowers such as lavender, jasmine, orange blossom, mimosa, violets, jonquil and roses.

Production of flowers is still very much a local activity. The flowers cover hundreds of acres but they are spread out and mostly grown on terraces by peasant farmers, each of whom may own a single small rose, jasmine or tuberose field.

In addition to locally-produced flowers and herbs

Sweet smell of success

Highly volatile and potentially dangerous substances are used in the production of perfume and some plants are sited well away from population centres for this reason. The fragrance is extracted from the flowers by letting them soak in a bath of hydrocarbons such as petroleum, ether or benzene, a process discovered at the end of the nineteenth century. The resulting liquid is then evaporated to eliminate the solvent.

There is then treatment by alcohol and distillation to create the final essence which must be blended with up to 200 other substances to make the final product.

When considering the price of perfume, it is worth remembering that it takes a ton of, say, jasmine representing perhaps 12 million small hand-picked flowers to make 1½ kilograms of oil essence.

Flower growing for its own sake, either as cut blooms or for replanting in gardens, is a more genteel activity than perfume manufacturing but it is also a large industry. One of the most important centres for flower production is the Matland Research Centre.

A subsidiary organization,

Universal Rose Selection, set up in 1949 by Francis Meilard acts as an international centre where conferences are held to discuss cultivation of blooms and plants and to develop new varieties.

Universal Rose Selection has trial grounds for its products in a variety of climates, in Britain, Denmark and the United States as well as in Lyons. As a result of these tests a starting list of perhaps 2,000 varieties will be reduced to perhaps two to four.

Altogether the research centre covers 10 acres, of which much is under glass and used to develop varieties of roses for the cut-flower market. In addition to roses, carnations, chrysanthemums and gerberas are grown, chiefly in greenhouses. Stocks, marigolds, marguerites, violets, anemones, tulips and freesias are among the flowers grown in the open air. Apart from roses, the biggest cultivation is in carnations and mimosa.

Flower production is collectively divided into five main areas, growing flowers for cutting, flowering plants and pot plants, ornamental and decorative foliage plants, rock plants for use in parks and gardens and

production of plants for scent. Of this, cultivation for cut flowers covers more than 7,500 acres; mostly in the Alpes-Maritimes and Var.

Control of pollution is very much in the flower growers' interests as well as those directly involved in the tourist trade. The Riviera claims to lead the fight in France against the pollution of beaches and stretches of water. A unit has been set up to carry out control and surveillance operations known as La Cellule d'Intervention contre la Pollution des Les Alpes-Maritimes (CIPALM).

Among other activities, this carries out a daily aerial surveillance of the 75-mile coastline during the summer to test sea pollution caused by oil slicks or large-scale waste deposits. A radio link enables special cleaning boats to intercept and treat the polluted waters before they reach the beaches.

In addition, new drainage channels and sewage disposal plants have been built. Others have had their capacity expanded, demonstrating the acute concern which is felt to protect the environment.

Cuisine à la provençale

by John Ardagh

Britain through failure to provide the right dressing or ingredients.

Few of the true niçois dishes feature on smart menus. But you can easily find them, at moderate prices, in the small bistros of the humble quarters. One evening I was taken to Chez Paulin, well off the tourist track—an experience that proved as much sociological as gastronomic. An eccentric elderly widow owns the place, and does all the cooking. You eat what she chooses to give you, and pay about 40 francs (with wine) for the set menu, scrawled on a blackboard in her rough and ready dining-room full of bric-à-brac. In one corner is an ancient piano.

We were served a succession of niçois starters: socca (the traditional snack of the poor of Nice: pancake of ground chick-pea, a bit like batter pudding), pissaladière (onion tart), salade niçoise (with plenty of oil and tunny), ravioli, and then as a main dish "alouette sans tête" (oddly, this means pauvre de veau and is no kin of Quebec folksong). The meal was interesting, if not exquisite.

Later the merry widow, hot from her stove, treated us to an impromptu cabaret act, taunting her guests and reciting a string of risqué stories in niçois dialect (not unlike provençal). The big parties of local diners roared their delight and translated for us into French. It was all very casual, uncommercial, and we felt we had strayed in on some private festivity.

In the alleys of the vieille ville there are numerous lively little restaurants, less bizarre than Chez Paulin, offering a reasonable Provençal meal for only 25 francs or so. Nice need not prove an expensive town for the English visitor in search of good food, even in these bad days for sterling.

The Cours Saleya, where the daily fruit and flower markets are held, is lined with modest and cheerful fish restaurants. At La Gargantua I had a richly pungent soupe de poissons, properly served with red garlic sauce, followed by daurade, grilled on an open charcoal fire in the centre of the room. Next door, Chez Fernand La Moule provided

a large plateful of ourasins and a fine riz aux moules: this clamorous little bistrot is reputed for having the freshest shellfish in Nice.

At La Teca d'Or, another tiny and popular place, up a side alley, the exuberant pated noir owner tutored all his guests whether he knows them or not. He served us cuisses de grenouille provençale that seemed to come from frogs the size of small chickens. He said they were from China.

The bouillabaisse in Nice is not always as subtle or authentic as in its Marseilles homeland, nor will you often come across that other noble provençal dish aïoli (garlic mayonnaise with salt cod and assorted vegetables). But it is easy to find other regional dishes such as beef en daube or poulet à l'estragon. Many of the bigger restaurants feature a buffet of splendidly rich hors d'oeuvres, with imaginative crudités and fish in spicy sauces.

Loup, daurade and rouget are among the best local fish, but they are never cheap, nor are they often as local as the menus may claim. The seas off Nice are

so polluted and over fished that your "poisson du pays" is likely to have come from a distant part of the Mediterranean or even the Atlantic. Daurade is often fished off Tunisia and is known by Nice fishermen as "daurade Bourguiba".

Of Nice's many expensive restaurants, the best by current reputation is none other than that of the city's grandest Edwardian pile, the Hotel Negresco. It has recently acquired a new chef, who worked for some years in Mayfair. But let that not be held against him, for I was delighted by the delicacy of his mille-feuille au foie gras, boudin de rouget, dodeine de caneton, and other dishes.

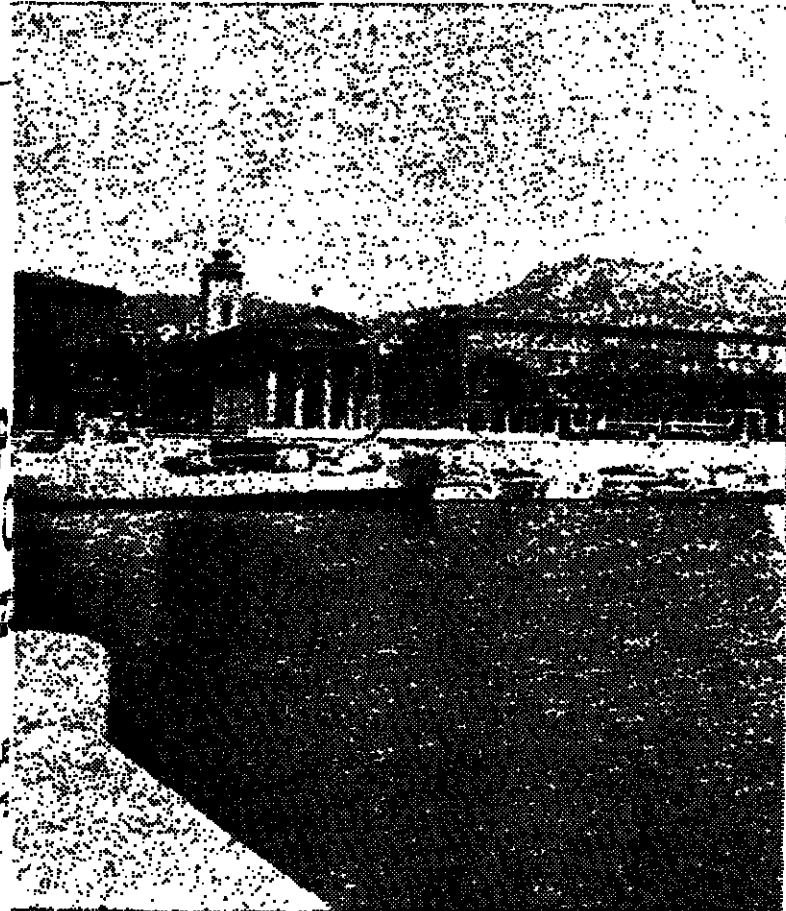
Outside Nice, in the big resorts such as Menton, or in the hill villages, you can find excellent meals at all prices. Even in fashionable Cannes, I was able to eat well for 30 francs or so in bistros round the harbour.

The Cannes area also contains two of the world's great restaurants each with its three Michelin rosettes: L'Oasis at La Napoule and Le Moulin at Mougins. The patron-chef of the latter, M

Roger Vergé, is one of the high-priests of the arrogant and modish new Grande Cuisine française school, along with M Paul Bocuse and others. Like them, he is now a national figure in this land where top chefs are as publicized and publically-conscious as pop stars.

Odd to think that a few years ago he was running airport catering services in East Africa. Today, his terrine de rascasse and langouste au poivre rose set the gourmet writers swooning, and his bill for two will burn a 500-franc hole in any wallet.

If your liver and your bank balance are equal to this, you may also like to try one of the luxury gastronomic cruises now fashionable. Their season is May and sailings are from Villefranche. You pay a mere 2,500 to 5,800 francs. The price varies with the comfort of the cabin, not the grandeur of the cuisine. For this you spend four days on a liner where France's most glorious chefs, M Bocuse, M Vergé, M Michel Guérard and company not only cook for you but lecture to you, drink with you, even dance with you.



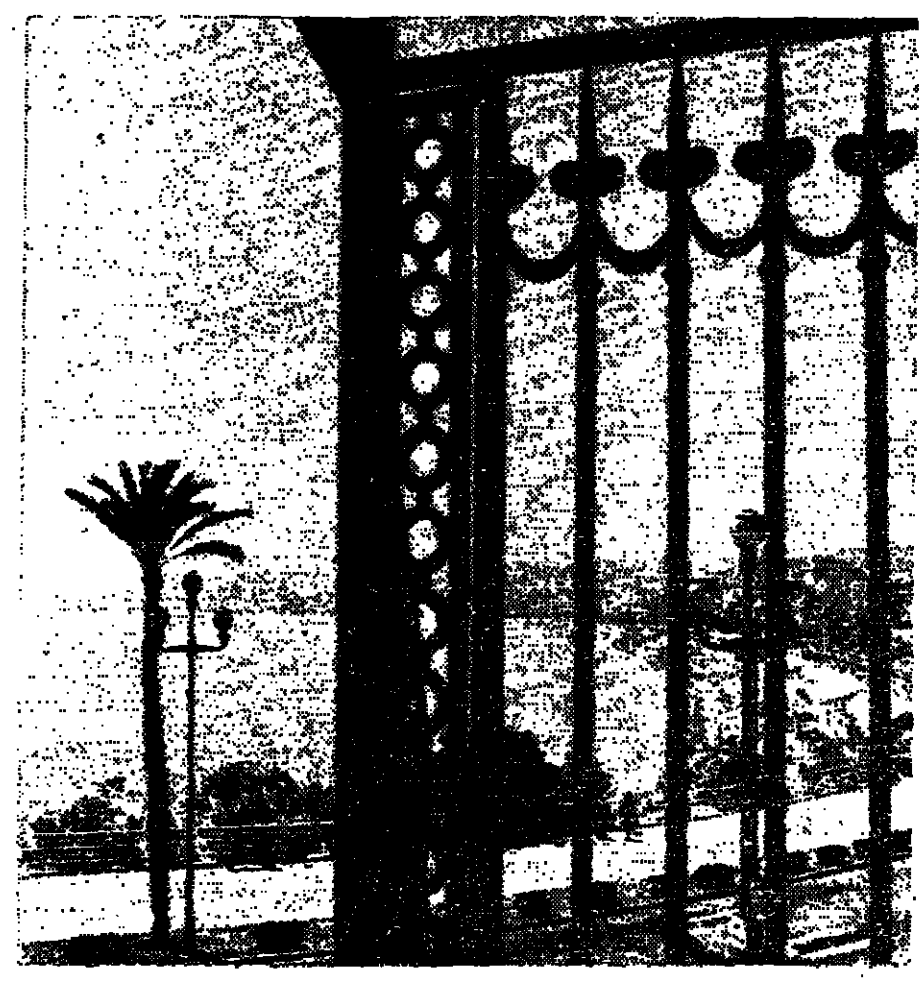
Nice,

— european capital of tourism, wishes you welcome.

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2,700 hours of sunshine annually, fifth city of France — Nice... no, the true spirit of our town is not to be in statistics — that mania of our times. people of Nice tell you quite simply air city is blue... blue of the sky, blue of the sea. To them Nice means the palms of the Promenade des Anglais, the narrow streets of the Old Town; it is the animation and riot of color of the flower market. I will tell you of the cicadas in the pines in summer, the perfume given to the air by the wild flowers by the Mediterranean. They will talk of the olive trees, the olives and the mimosa; of their carnival and the lovely young girls.

In welcoming you to their hearth and they will say in their local language, "toui ben'vengut en lou nouostre beù ssart!" which is to say, "Welcome!"





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LETTERS TO THE EDITOR

NOT ABOVE THE LAW

again Lord Denning has made a judgment of great importance for the law of the land. The Attorney General has the right to bar the courts when the law is about to be broken. Lord Denning does not have a discretion in such cases. He has the right to refuse to initiate an action on himself. If he decides to then his judgment cannot be contested by the courts. If, of course, he refuses to do so, then they cannot refuse to do so. Lord Denning was at pains to point out that the courts have been cited to this positive exercise of discretion by the Attorney General. When he deems it that he cannot be stopped from doing so.

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including Law Officers who are at the same time party politicians in a party political government, might be influenced by partisan political considerations. If it is possible that they might be so influenced, and if there were no appeal from their decision, neither to bring nor to approve a particular action, it would mean that those interest groups with the greatest political muscle might be able to place themselves above the law.

PEACE TALKS IN CYPRUS

st meeting in thirteen years between the leaders of the Greek Cypriot community and the men who are still regarded by foreign governments as President and Vice-President of the same. It is an encouraging sign even if, as Archbishop Makarios said afterwards, differences remain between the two parties. It is indeed a very surprising and serious difference that they had been resolved in a meeting of two hours and minutes.

spelt out in so many words, that was partly to preserve a bargaining position and partly to postpone a show-down within the Greek Cypriot community until there was some sign that the Turks were offering a settlement worth quarrelling about.

due in October—would not easily be accepted as a reason for delay. That no doubt, was why Mr Demirel recently made the remarkably constructive suggestion that negotiations on Cyprus could be conducted by an all-party committee; and that, one must surmise, is why Mr Denktash has suddenly found it worthwhile to reactivate the inter-communal talks at the highest level.

the discussions since the implications of Turkey's on of one-third of Cyprus became clear, the Greek have in fact been for a genuinely federal solution against the renouveau of two separate states which Mr Denktash is to favour. Arguments he Greek Cypriot camp not to this point, which mon ground, but rather question whether this in should be bi-zonal, or tri-zonal; in other words, here be only one Turkish should the Turks be given small cantons scattered in island.

President Carter was elected with the enthusiastic support of the Greek-American lobby, and several times during his election campaign accused Dr Kissinger of dealing too softly with Turkey on the Cyprus issue. On this more than any other international issue he has a clear commitment to seek movement. It is known that he hopes to involve the European Community in an initiative on the subject, and that this was one of the subjects on the agenda for the talks between Mr Callaghan and Vice-President Mondale in Downing Street last night.

His warning of the danger of new Greek and Turkish Cypriot generations growing up as strangers and enemies is one which would certainly echo, and his proposal for a transitional bi-communal government, even if it is not the remedy which Greek Cypriots would consider most effective, is certainly worth being taken seriously. But the real test of his sincerity remains his willingness to give up enough territory for at least a substantial number—preferably the majority—of the Greek Cypriot refugees to return home.

With's 'No'

Whitney Straight have that Mr Ivor Richard, a tireless attempts to find a solution to the problems in Africa, should be given a posthumous appointment and a full state funeral. He was a man of great courage and resources, preferably untried, and his death is a great loss to the world.

Mentmore

Victorian Society regrets the loss of the Department of the Environment and the Treasury, the bequest to the nation, the House and its contents, death duties on the estate of Lord Rosebery, the collection at Mentmore objects of great value that the national collector there the money to them at auction, the collection at Mentmore, the collection at Mentmore, the collection at Mentmore.

Britain of the same range put together in the High Victorian Period, and despite two sales earlier this century, Mentmore remains much as it was when the Catalogue was published in 1883, the reflection of the tastes of one of the great Victorian collectors. Moreover, as the house of a major nineteenth century political figure, Lord Rosebery, Prime Minister 1895-95, Mentmore has an historical importance that should not be forgotten.

Why April 5?

From Mr Hugh Peskett
Sir, To answer Mr D. F. Pow (January 26), this is a consequence of reorganization of the calendar in 1752. Before that the English calendar had two anomalies: firstly, the New Year was reckoned from March 25, so the logic that the Christian Era should be calculated from the anniversary of the Annunciation of the Blessed Virgin Mary; secondly it used the Julian calendar rather than the Gregorian. The Julian calendar included a miscalculation of Leap Years which was a cumulative error of three days every 400 years; by 1752 the error was 11 days. Up to 1752

the English government financial and taxation year began, quite logically, on New Year's Day, March 25. By the New Style Calendar Act, 1751, the calendar year was to be reckoned from January 1, and 11 days during September, 1752 were taken out of the calendar to bring it into phase with most of Western Europe. There were riots, and the mobs cried "give us back our 11 days"; the naive thought that their lives had been shortened by so long, but the more prosaic objected to paying taxes for a government financial year 11 days shorter than usual, so it was extended. Since then the "Taxation Year" has dated from March 25 plus 11 days, which is April 5.

Aspects of the Novel

From Mr Wilfred De'Ath
Sir, How strange that Mr Anthony Powell should consider that the novels of E. M. Forster exclude bland self-satisfaction. It is not a classic instance of the pot describing the kettle as black?

The Bullock Report: proposals for worker directors

From Mr Giles Radice, MP for Chester-le-Street (Labour)
Sir, We can all agree with the President of the Engineering Employers' Federation that a calm and constructive debate, though it is a pity that some leading industrialists decided to denounce the Bullock Report before it was published. The Government's statement that they are introducing a period of consultation with both sides of industry on the majority report before producing their own proposals should help to restore a sense of proportion.

ance of a system of works councils in all industries above a certain size and workforce: these councils to be democratically elected by the workers, whether members of unions or not. The acceptance of a code of practice by industry to establish a form of worker participation should be the first step: legislation could follow if necessary. There is precedence here, eg, Ernest Bevin did this under the Essential Work Order early in the last war. Unfortunately, it lapsed after the war. If works councils dealing with real issues of common concern in industry are accepted, then there is no reason why representatives of these works councils should not sit on boards of companies, or on board committees, with useful effect.

may be left of it, by putting the company into liquidation. This sanction (already hedged by significant legal safeguards relating to redundancies) is, apart from anything else, an essential counter balance to the right of trade unions to procure the withdrawal of labour in the circumstances of a trade dispute.

From Mr Kenneth Lewis, MP for Rutland and Stamford (Conservative)
Sir, The board meeting imagined by the signatories of the Bullock Committee fortunately does not exist in real life. It sounds rather like the meeting of a local council where representation and voting is all important.

From Mr Paul Bryan, MP for Haverhill (Conservative)
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From Mr R. E. Hardman
Sir, Mr Dell tells us that we will accept what he chooses to call "industrial democracy" because we have all apparently accepted what he chooses to call "political democracy".

From Mr Kenneth Lewis, MP for Rutland and Stamford (Conservative)
Sir, Parliament and the people of this country have had to consider numbers of Government Reports in recent years. Some of these have achieved legislative status arising out of obvious public support. With others the people have found that the legislation has been thrust upon them. Other Reports are forgotten.

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Jerusalem eviction

From The Dean of St George's Anglican Cathedral, Jerusalem and others
Sir, In a letter published in The Times of January 20, Mr David Levine, secretary of the Jewish Quarter Reconstruction Committee, asks the following question: "When Mr Krivine investigated the evictions to which we referred, he was shown the only part of the Quarter which had not been demolished. This was not the entire house inhabited by one family before their eviction but the one remaining room of that house after the demolition of the rest. This room was allowed to remain because it was above the office of the Jewish Quarter Reconstruction Committee, responsible for the eviction and demolition."

The new 'Express'

From Mr Robin Dobson
Sir, I read with interest the reply by Charles Wintour to your "rather jaundiced columnist PHS (January 25)" in today's The Times (January 26). Being a rather jaundiced sceptic myself I should be most interested to know how he arrived at the figure of 600,000 new readers, when at the time of writing he could not have received all his returns. Secondly how does he conclude that the younger age group made up a large part of these new 600,000 readers.

On handing over office

From Mr T. Courtlander
Sir, It was interesting to watch the inaugural speech of the new President of the United States live from the Capitol grounds, but not for the speeches. We may snide at the Americans for their weak attempts at ceremonies such as this but what seems to have gone unnoticed by the media is the great dignity with which both President Carter and Mr Ford conducted themselves.

Silencing the media

From the Managing Director of Capital Radio
Sir, Paul Sieghart's letter (January 26) suggesting that laws should be devised which would protect privacy without fettering the press worries me considerably. However well intentioned, laws designed to silence any form of media on any subject tend to be far more restrictive than is originally envisaged.

Person wanted

From Mrs Miriam Kochan
Sir, While commending the practice of your newspaper in phrasing its "Situations Vacant" in conformity with the terms of the Sex Discrimination Act, I fear it is proving expensive in terms of phone bills and postage costs to would-be applicants.

Forming the next incomes policy

From the General Secretary, National Union of Bank Employees
Sir, Recent letters and public comment about the form that phase three of pay policy should take are timely. The whole debate has, of course, a sense of déjà vu about it, but I suppose that is inevitable. Undoubtedly the debate reveals that while there will have to be a third phase, it must be flexible, more realistic in its purpose and more fair in its application.

Lager brews profits and problems, page 23

Tate & Lyle reaction on sugar pricing report

Tate & Lyle yesterday put out the following statement:

An article on the Government's handling of the sugar shortage, which was making serious criticisms of Tate & Lyle appeared in *The Times* newspaper in London today. It followed publication of a report from the Comptroller and Auditor General on the arrangements for the supply of cane sugar in 1975.

"The Comptroller's report is, at our first reading, not critical of any of the company's dealings. We are now studying it in more detail. It is clear that it was fairly reported or interpreted by this morning's story in *The Times*. We totally reject the various allegations made in *The Times* and in the meanwhile emphasize that we acted with good propriety in all the actions covered by the Comptroller's report."

The report in *The Times*, which summarized the main findings of the report on the pricing and supply of sugar in 1975, said that Tate & Lyle had the company had been keeping two sets of books. The report by Sir Douglas Henley, the Auditor General, included two paragraphs, which were referred to in the original article.

February 1975, Tate & Lyle Limited informed the Price Commission that a reexamination of the methods used to assess certain retrospective costs included in their earlier submissions had shown duplicate provision for recovery of £4m, and that their permitted prices had been overstated by £3.3 million. They proposed to put the matter right by abating the recovery period of a group of retrospective cost items. In November 1975 the Ministry's accountant re-

duplicate provision for recovery of E24m, and that their permitted loss was 100 percent of the value of a ton. They proposed to put the matter right by abating the recovery period of a group of retroactive transactions. In November 1975 the Ministry's accountant reported that he was satisfied with the result of the calculations, but stated that he had noted several changes of principle but the only point of principle which was the basis of one of the calculations concerning raw sugar costs, where some transactions were not included in the calculations with actual events. He accepted that there was no alternative to the method adopted, which did not differ from the method used by the auditor but said that it gave rise to a certain unease.

" Following an investigation in January 1974 independent accountants reported that the E24m referred to in the E24m was not

with terminal market transactions to be associated with particular physical transactions. In view of the scale and complexity of the transactions,⁴ and the continued difficulty in associating some transactions with actual events, I asked the ministry whether they were satisfied that they had allocated adequate audit resources to the examination of the price equaliza-

don't involve any substantial arrangements, commensurate with the work involved. The ministry stated that they were so satisfied and pointed to the further safeguards that all payments were on a provisional basis, subject to later audit, and that some payments had been withheld pending completion of audit."

IMF leader seeing Mr Healey next week

Dr Johannes Witteveen, managing director of the International Monetary Fund, is expected to meet Mr Healey for talks in London next week.

The IMF chief will be attending the Overseas Bankers' Club dinner.

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on 27th January, 1977, residing. The Report and

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1976	1975
£'000	£'000
400	36,400
031	2,745

988	1,676		
884	1,454		

1.49p 9.60p

Secretary of The Proprietors of
London SE1 2PJ.

93p already paid, makes

1976	1975
£'000	£'000
400	36,400
031	2,745
22	557
988	1,676
884	1,454
1.49p	9.60p

Secretary of The Proprietors of
London SET 2PU

Copies of the full Report and Accounts can be obtained from the Secretary of The Proprietors of Hay's Wharf Limited, St. Olaf House, London Bridge, London SE1 2PJ.

Price Commission sees inflation at peak of 19 per cent in late spring

By Ronald Emiler

Price rises are increasing and the rate will probably peak in late spring at an annual rate of 19 per cent according to the Price Commission's latest quarterly report.

Yesterday, Sir Arthur Cockfield, the Commission's chairman, said: "We must live through a hard winter on prices but if we hold fast we will come out into a period in which inflation will come down again."

Sir Arthur said that during the period dealt with in the report, September to November 1976, price rises as notified to the Commission by category 1 companies were running at a rate of about 11,000 a month.

During the quarter the commission's own index of price inflation was running at 5.4 per cent. While some of this was attributable to oil price rises the underlying six-month trend showed inflation running at about 19 per cent per annum.

In its previous report the commission had said that the 13 per cent rate of inflation prevailing in 1976 was "thoroughly unsatisfactory". Sir Arthur said yesterday that the present rate of 15 per cent "shows no signs of improving" and the indications available for December and January revealed no easing in the position.

There were contradictory influences affecting the rate of inflation, Sir Arthur said. The decline in the value of sterling was "inevitable retribution" for domestic inflation in 1974 and 1975. Although the rate had improved recently the depreciation of the currency since September had not yet been fully reflected in retail prices.

The full effect will have worked through the system by early summer, Sir Arthur said, provided there was no further deterioration in the exchange rate.

Last summer's relaxation of the price code was difficult to assess in terms of its effect on inflation, Sir Arthur said. However, "in theory" there should be many more price increases to come but by early summer "we should have seen the end".

On the positive side the present pay policy had not been fully reflected in price rise notifications received by the Commission. Reduced pay settlements will be reflected in a lowered rate of increase in labour costs.

Similarly the present tight financial and monetary controls make it more difficult for companies to pass on price rises to the public, thus reducing the rate of price inflation.

As a result of these under-

lying trends, Sir Arthur said, the Commission predicted the rate of inflation would peak in the late spring, and "unless there were unforeseen developments" the turnaround should occur in the summer.

The report says that after last summer's relaxation of the price code, it was not possible to gauge trends in profit margins. Increases could be due to the taking up of slack under the "old" code and the changes since last August mean that the Commission's figures for profits and profit margins were in no way comparable with those for previous periods.

The calculation of profits and margins was "highly artificial", the report said, and bore little resemblance to profits "calculated on accepted accounting principles".

Indeed "in some instances companies will be showing 'losses' for price control purposes while their published accounts will show substantial profits".

On investment, the report says that 498 companies have applied for relief against an estimated expenditure of £3,684m, about 73 per cent of which is in the manufacturing sector.

Price Commission Report September to November. HMSO £1.65.

CCA 'gives auditors wider area of discretion'

By Our Financial Staff

Introducing the current cost system of inflation accounting would materially increase the number of areas in which an auditor must use his discretion in determining whether the figures given provide a "true and fair view" of the state of affairs of the company, according to the auditing practices committee of the Consultative Committee of Accountancy Bodies.

But the amounts to be transferred to or from revaluation reserve under the Morpheus system as set out in ED 18 will not necessarily be susceptible to audit, the committee points out, since the assumptions on which these transfers are to be made "are largely matters of policy which depend on the discretion of directors".

These comments are set out in a booklet published today, *The Audit Implications of ED 18—Current Cost Accounting*, designed to instruct auditors on how the main problem areas of auditing current cost accounts should be approached. Also it could encourage them to develop the revised procedures they will need for the audit of current cost accounts, and provide background information to enable those accountants who comment on ED 18 to take account of the related auditing aspects.

Recognizing that their inability to assess the amounts transferred to and from revaluation reserve "may be considered unsatisfactory", the auditors suggest that the relevant accounting standard may incorporate procedures to be followed to arrive at the transfer once CCA has been established for some time.

But in the meantime, they say, this limitation as regards the auditor's work will need to be appreciated. They call for an updated statutory definition of which profits/reserves are available for distribution, saying that such a revised definition is already overdue, and the need for it under CCA is greater still.

The Audit Implications of ED 18—Current Cost Accounting. Available from the Publications Department, PO Box 433, Moorgate Place, London, EC2P 2BJ, price £1.50, including postage.

GOVERNMENT'S EXPENDITURE PLANS North Sea oil the base for industrial recovery, not the solution

continued from page one

Although this may have been tolerable when general prosperity was allowing living standards to rise, the White Paper says, the drop in real income caused by the increase in oil prices (put at a 5 per cent fall for the nation as a whole) has intensified the conflict between private and public consumption.

The paper says that better services will have to take second place to progress towards improving our economic and industrial performance, and warns that North Sea oil must be used as the base for solving our industrial problems, instead of being seen as a solution in itself.

Reversing the tendency for the public sector's share of the vital part of this. The paper estimates that, as a result of all the cuts that have been made, public expenditure's share of the gross domestic product should fall from 46 per cent to 42.4 per cent if the generally internationally accepted "market prices" criterion is used.

If the alternative "factor cost" measure is used, the fall will be from 51 per cent to 48 per cent. Should transfer payments be included to get a measure of the direct expenditure on goods and services of central Government and local authorities, the proportion would fall from 26 per cent to 23 per cent, roughly the level in 1971-72.

Although the White Paper says that the restrictions on public spending are a necessary condition of economic recovery and a fall in unemployment, no rapid improvement is assumed over the next two years.

Estimates for the Social Security Bill have been based on an assumption that the average rate of unemployment remains the same as it is now until April 1979. In addition, special allowance has been made to take account of the possibility that it will in fact turn out to be considerably higher, thus imposing a heavier drain on the Government's resources.

Controlling social security spending poses special problems because it cannot be covered by the workings of a "cash limit" system. This system is an attempt to ensure that the constant, or "survey" prices used in drawing up the estimates do not allow for runaway spending growth because of inflation.

At the beginning of the 1977-78 financial year, cash limits, which are quite literally what they say, will be fixed for a large part of central Government spending.

In 1976-77, such limits were applied to 65 per cent of all central Government voted money, and in spite of the fact that inflation exceeded expectations the Government forced its departments to stick to them. They will be expected to do so again next year.

In forcing them to do so, the Treasury has been building up its monitoring system of the way spending is growing and is drawing up "profiles" which show roughly the pace at which money should be spent.

Such sophisticated monitoring devices are not available in

PUBLIC EXPENDITURE BY ECONOMIC CATEGORY £ million at 1976 Survey

	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79
Current expenditure	13,252	13,751	14,297	15,044	15,886	15,946	15,910	15,891
Wages and salaries	7,528	7,696	7,844	8,001	8,273	8,270	8,246	8,215
Other current expenditure on goods and services	5,724	6,055	6,453	7,043	7,613	7,676	7,664	7,676
Subsidies	1,935	1,829	1,847	1,927	2,088	2,088	2,071	2,062
Current grants to private bodies	9,364	10,161	10,147	10,722	11,727	12,510	12,910	13,198
Current grants to public bodies	717	765	840	884	954	1,016	983	978
Current grants abroad	378	396	518	300	452	753	539	1,071
Total excluding debt interest	33,204	34,600	36,992	39,598	41,003	42,193	41,959	42,011
Capital expenditure	6,103	6,084	6,469	6,568	6,495	6,140	5,082	4,708
Gross domestic fixed capital formation	184	112	107	107	65	100	100	100
Investment in value of stocks	1,492	1,508	1,563	1,573	1,133	1,364	1,183	1,245
Capital grants to private bodies	1,024	1,047	1,123	1,123	999	955	925	925
Net lending to the private sector	212	221	173	156	89	94	79	61
Drawings from United Kingdom sub-subsidiaries and international lending bodies	27	48	68	51	116	99	111	99
Other net lending and investment	49	660	725	711	697	599	399	399
Cash expenditure on company securities	71	64	7	259	434	23	—	—
Capital transfers abroad	—	—	—	153	13	—	—	—
Total	39,307	40,684	43,461	46,166	47,498	48,333	47,041	46,719
Contingency reserve	—	—	—	—	—	630	50	—
Total	39,307	40,684	43,461	46,166	47,498	48,963	47,091	46,719
Debt interest	1,075	1,013	1,354	1,055	1,128	1,800	2,300	2,300
Initial income accounts basis	4,608	4,671	5,578	5,699	5,472	6,500	7,300	7,400

PUBLIC EXPENDITURE BY PROGRAMME £ million at 1976 Survey

	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79
1. Defence	5,666	5,504	5,460	5,385	5,548	5,621	5,444	5,385
2. Overseas aid and other overseas services	765	892	990	935	797	1,062	1,232	1,3
3. Agriculture, fisheries, food and forestry	845	758	855	1,708	1,605	1,003	551	—
4. Trade, industry and employment	878	544	348	145	70	29	9	—
5. Other	1,493	2,147	3,144	3,390	2,958	3,045	2,143	2,143
6. Government lending to nationalised industries	1,934	1,824	1,814	1,814	1,446	800	750	750
7. Roads and transport	2,110	2,292	2,459	2,754	2,811	2,715	2,368	2,368
8. Housing	2,289	2,426	2,582	2,761	2,613	2,569	2,295	2,295
9. Law, order and preventive services	1,469	1,463	1,551	1,660	1,759	1,848	1,836	1,836
10. Education, science, arts and libraries	6,499	6,322	7,263	7,116	7,493	7,519	7,307	7,307
11. Health and personal social services	2,420	2,573	2,601	2,628	2,628	2,628	2,628	2,628
12. Other public services	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719
13. Other public services	712	944	724	782	844	844	844	844
14. Community services	699	916	916	916	916	916	916	916
15. Northern Ireland	1,173	1,228	1,254	1,408	1,540	1,627	1,627	1,627
Total programmes	43,461	45,589	46,769	50,936	51,816	51,898	49,552	49,552
Contingency reserve	—	—	—	—	—	630	50	—
Total	43,461	45,589	46,769	50,936	51,816	52,528	50,202	50,202
Debt interest	1,075	1,013	1,354	1,055	1,128	1,800	2,300	2,300
Initial income accounts basis	4,608	4,671	5,578	5,699	5,472	6,500	7,300	7,400

Public Expenditure Plans

£ million at 1976 Survey

	1975-76	1976-77	1977-78	1978-79
Public expenditure by:				
Central government	35,139	35,454	34,449	34,449
Public corporations other than the nationalised industries	1,241	1,459	1,306	1,306
Local authorities	15,456	15,005	14,103	14,103
Total expenditure on programmes	51,816	51,898	49,858	49,858
Contingency reserve	—	—	630	50
Debt interest	1,128	1,800	2,300	2,300
Total public expenditure	52,944	53,698	52,788	52,788

(1) Includes government loans and capital grants to the nationalised industries estimated cost of the child benefit scheme in 1977-78 and 1978-79 is measured as associated reduction in child tax allowances.

(2) Net of £500 million for proceeds of sale of shares in the British Petroleum Company.

(3) The figures for debt interest in this table are on the new basis explained in paragraph 16 of the White Paper on Public Expenditure.

(4) Total public expenditure, excluding government loans and capital grants to the nationalised industries, the receipts from the sales of British Petroleum Company and debt interest in the four years is £20.5 billion, £20.9 billion, £20.9 billion and £20.9 billion.

INTERIM STATEMENT

The Commercial Banking Company of Sydney Limited

ANNOUNCEMENT OF INTERIM DIVIDEND

The Directors of The Commercial Banking Company of Sydney Limited have declared an interim dividend of 6 and a half pence per share (last year 6 and a half pence) being 6 and a half pence per share in respect of the half ended 31st December, 1976, on the issued capital of the Bank. The dividend is payable on 11th March, 1977. Completed returns received by the company up to 3 p.m. on 21st February, 1977, will be registered before entitlement to the dividend are determined at the end of the reporting period.

The Bank Group's (excluding CACA) net profit after £5,151,000 (half year to 31st December, 1975 £5,128,000). CACA Group disclosed a net loss of £10,640,000 (half year to 31st December, 1975 profit £3,240,000). Consolidated net profit (to be audited) half year to 31st December, 1976 £5,941,000 (to be audited) half year to 31st December, 1975 £5,993,000.

Economic conditions and, in particular, the impact of the conditions on the recovery of the real estate sector, have had an adverse effect on CACA. This factor has been reflected over two years by statements in the accounts and prospects issued by CACA. The Board of CACA has, up to the present, taken the view that recovery in the real estate sector would permit the postponement of realisation of the assets available to CACA in respect of certain overdue debts and a regulated company policy accordingly. CACA management's recent advice to its Board is that the carrying charges involved in that policy put in question the wisdom of its continued application. In accordance with that advice, the management of CACA recommended to its Board that the policy in a number of cases should now be modified to require more realisations. Management's advice recognises that the modification of policy could result in losses being incurred on some accounts and therefore make it proper for provisions to be made to cover possible losses. Management further advised that the "abnormal" provisions of £2 million (gross) would be appropriate. These provisions (net of tax) will result in an overall loss by CACA of \$10.6 million after taking into account CACA operating profits for the half year.

This bank and the Bank of America (who between them is 52.4 per cent of the capital of CACA) have decided to increase substantially their support to CACA as evidence of its confidence in its future as a major force in the finance industry in Australia.

1. C.B.C. has applied and CACA has today allotted to C.B.C. Bank 6 million shares of \$1.00 each at a premium of \$0.20 per share and Bank of America, New York, has applied to that company has allotted to Bank of America, 1.5 million shares of \$1.00 each at the same premium per share with the effect that Bank of America retains its past 20 per cent shareholding in that company and C.B.C. Bank's percentage shareholding is marginally increased.

2. C.B.C. Bank and Bank of America will provide in the ordinary course of banking business additional lines of credit to CACA. CACA's Board has today announced that no interim dividend will be paid. Mindful of the interests of the minority shareholders (who now hold approximately 7.5 per cent of the issued capital in CACA) C.B.C. Bank has decided to formulate an offer to acquire their shares on the basis of one share in C.B.C. Bank for each share in CACA. The bank expects that it will be in a position to make that offer shortly.

The profits from banking operations have not been affected in any way, and the directors expect that the bank will maintain future dividend payments at least at the current rate.

The action by this bank, and its decision to take advantage of its substantial resources to cope with CACA's problem, coupled with the strong support of Bank of America, will be a concentration by CACA on traditional and highly profitable areas. Indeed, it is now in a position as a result of these steps to take full advantage of its market position and continue as a dynamic financial institution. The directors are confident that the profitability of the bank and of CACA will hereafter grow to the strongest possible foundation.

Please note that dividend warrants will be posted to shareholders as soon as possible after 11th March, 1977.

By order of the Chief Executive
I. S. Mackenzie
Chief Manager, London

27th January, 1977.

Business appointments

Successor to chairman at F H Lloyd Holdings

Mr R. H. Foster has been made chairman of F. H. Lloyd Holdings in succession to Mr D. J. Carrier. Mr A. A. Gray who has retired as chairman and chief executive of The Wellcome Foundation, has been succeeded by Mr A. J. Shepherd, deputy chairman.

Mr T. B. C. Bell is to become a director of Broken Hill Proprietary. Mr F. G. Flood, chief executive of BPS Industries, has, in addition, been made deputy chairman. Mr E. P. Chappell is now deputy chairman of the London board of the Bank of New Zealand, following the retirement of Mr A. R. Fredey, Sir Arthur Norman, chairman of De La Rue, becomes a director of the London board.

Mr Ian Hickey, regional director, Scotland and the north of England, has joined the board of Lloyds & Scottish Finance.

Mr Digby Collins has become chairman and Dr John Watson, managing director of Dunlop International Projects.

Mr Ian MacArthur has been made a director of the British Textile Confederation from March 31.

Mr Colin Slater has become a



Mr A. J. Shepherd (left), new chairman of The Wellcome Foundation; Mr D. Collins, appointed chairman of Dunlop International Projects; Mr D. B. Clark has been made chairman, Mr K. W. Heatherley managing director and Mr D. Oldershaw a director of LFC Protective Clothing. Mr J. A. Hadley becomes managing director of Lant Brothers and Mr B. A. Foster and Mr R. White join the board of LFC Developments. Mr G. J. T. Richards becomes chief executive and Mr B. H. Nicholls financial director of LFC Home-centres divisional board.

Better prospects seen for world shipbuilding

By Peter Hill

Brighter prospects for the world's shipping industry by the end of the year were forecast in a report published yesterday.

Overcapacity at the beginning of last year, according to *Fearnley & Eger*, Chartering, the Oslo-based shipbrokers, amounted to 105 million tons deadweight, while at the beginning of this year it had been reduced to about 80 million. By the end of this year it could be between 40 and 50 million tons.

Deliveries last year amounted to 60.9 million tons, with 40.7 million accounted for by deliveries of oil tankers. Scrapping rose to a record 15 million tons, with 11 million represented by tankers.

Deliveries this year are expected to amount to 50.6 million tons, with tankers accounting for some 21.2 million and dry bulk vessels 17.1 million. This, the report suggested, was too high a volume, and some delay in the projected delivery programme would have beneficial effects.

UK used more energy last year but less than in 1973

By Roger Vielvoys

Energy consumption in Britain was equivalent to 325 million tons of coal, an increase of five million tons over the previous year, but still 23 million tons below the 1973 level.

Energy Trends, the Department of Energy publication, forecasts that primary energy consumption this year will rise to 336 million tonnes of coal equivalent. Consumption of useful energy—net of losses in conversion and appliances—is likely to be near 1973 levels or even above.

The difference between primary and useful energy consumption is explained by the fact that gas consumption is increasing and less primary energy is needed to produce the same amount of useful energy, the publication says.

Recession, higher prices and conservation were mainly responsible for the comparatively low consumption level in 1976. Of the 325 million tons of coal equivalent used during the year oil provided 36 per cent; gas almost 18 per cent; nuclear and hydro power 5 per cent.

Rapid expansion of North Sea oil production to between 35 and 40 million tons a year is possible during 1977 and by the end of the year almost half of Britain's oil requirements should be met from this source. According to *Energy Trends*, coal is likely to hold most of its share of total demand but production is expected to rise only slowly until output from new pits and other major investments is achieved.

Gas should increase its share of the market to about 20 per cent.

Hundreds of Leyland car workers were laid off yesterday as production of another model was hit by a delivery drivers' strike. Output of the Triumph Spitfire stopped at Canley, Coventry, where the Dolomite had already been halted, with 920 now laid off.

The strike, by 270 drivers employed by James Car Delivery, has blocked up new vehicles inside the Coventry plant and two other big factories at Solihull and Longbridge.

An estimated 20,000 Range Rover, Land-Rover, Rover 3500, Triumph, Allegro and Minis, has now been stockpiled and production is being run down as storage space is filled.

The drivers have been out for more than two weeks, protesting that Leyland facilities at Solihull to other firms are endangering their jobs.

Pharmaceutical exports reach record £452m

Exports worth a record £452.8m were achieved by the pharmaceutical industry last year, according to provisional figures issued yesterday.

The figures represented a 21.3 per cent increase on 1975, but imports, at £139.3m, were up 43.5 per cent. The Association of the British Pharmaceutical Industry stated. The surplus exports over imports was a record £313.2m.

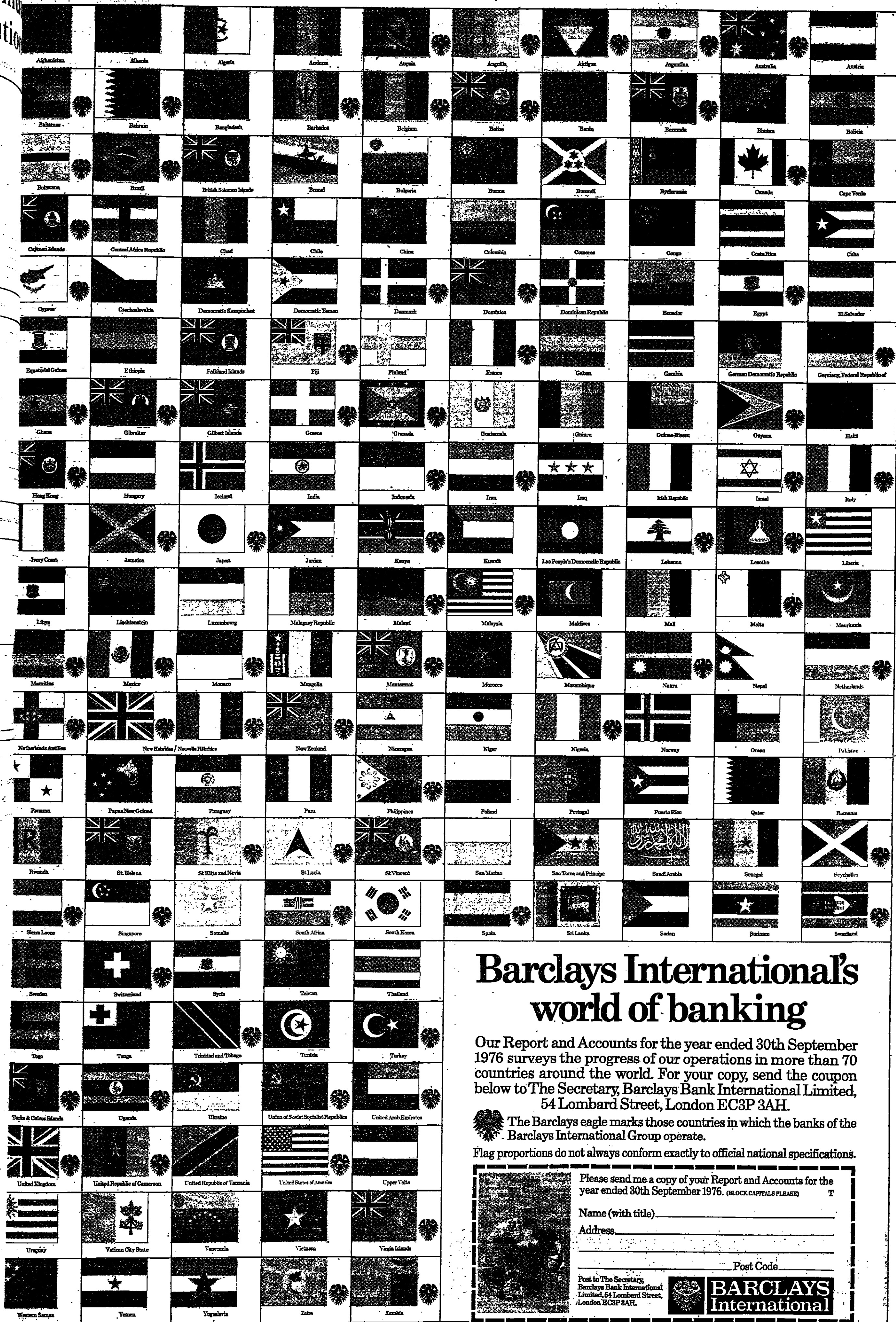
British Leyland's giant spares depot at Horsepath near Oxford, was at a standstill yesterday as a result of a strike by 56 men. Another 650 workers were laid off until further notice. The depot normally sends out up to 15m-worth of spares a day.

More American workers went on strike last year than the year before, the Labour Department reported in Washington. The 5,600 work stoppages involved 2,300,000 workers and resulted in 38 million idle work days, against 31.2 million days in 1975.

US strike toll up


US strike toll up

US strike toll up



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 **BARCLAYS
International**

Results of bids for oil licences next week

By Roger Vielvoys

Results of applications for new oil exploration and production licences in British waters are expected to be announced by the Department of Energy next Thursday.

Seventy one blocks were offered, of which 50 attracted bids from 53 consortia or individual companies. According to industry sources only about 15 blocks were of great interest to the large oil companies.

Acres offered in the Moray Firth area between the Piper and Claymore fields and the new Mass field attracted most attention. One block in this region is thought to have produced 26 bids.

There was also keen bidding for several blocks in shallow water close to the coast in the English Channel. But the acreage in mid-Channel and in the Western Approaches was largely ignored.

Once the companies have been notified of results of this fifth round of licensing, they will have to negotiate with the British National Oil Corporation, which will be the 51 per cent majority shareholder in each new licence.

BNOC and the United Kingdom Offshore Operators Committee have drawn up a standard form of agreement for state participation in new licences, which will be available to all successful bidders.

Short-time at Krupp

More than 5,000 of the 11,500 workers at the Fried. Krupp Hüttenwerk AG steelworks at Rheinhausen will go on some form of short-time work during February and March, a company spokesman announced in Bochum. The planned short-time reflects the widespread recession in Europe affecting profile steels.

New Chloride factory

Chloride Lorival, a member of the Chloride battery group, is to set up a £1m factory at Bury which is expected to create 100 new jobs. The company, with headquarters at Bolton, is to take over the Bury factory in the spring.

Union urged to back tractor plant strike

By Clifford Webb

Leaders of the Amalgamated Union of Engineering Workers are coming under increasing pressure to declare official support for the tractor plant strike which has closed Massey-Ferguson's Coventry tractor plant for five weeks.

The union's Coventry district committee recommended 10 days ago that the strike be made official. The recommendation was on the agenda for last Tuesday's weekly meeting of the executive but was one of a number of items not reached.

Conserve oil and find alternatives or face shortages, OECD says

By Roger Vielvoys

Unless fresh efforts are made to conserve energy and develop alternatives to oil, the world could face higher prices or shortages of oil or both, the Organisation for Economic Cooperation and Development says in a report.

According to the publication *World Energy Outlook*, if present trends continue, OECD demand for imported oil could rise from 23.4 million barrels a day in 1975 to 35 million barrels a day by 1985.

The level of demand when added to oil required by other countries might exceed the quantity that exporting countries, especially those in the Organisation of Petroleum Exporting Countries, would be willing to make available.

Since conservation and the expansion of alternatives to oil require long lead times, the report argues that new policies must be adopted within the next year or so, if they are to influence events in the mid-1980s.

The report suggests ways in which the industrialized nations could avoid a new energy

crisis. On the conservation side it says that governments should make "firm and out-of-the-market" commitments to the need to save energy as "significant potential exists for further reducing future energy demand".

A number of measures could be taken immediately. Pricing energy at world levels—a reference to countries whose domestic production enables them to keep prices down—would have an immediate effect through market forces.

There was also a need for selected mandatory measures such as speed limits which "could heighten public awareness and create the psychological climate necessary to reinforce market effects".

Increasing the efficiency of cars, incentives for investment in energy-saving equipment and higher insulation standards would also have a beneficial effect, says the report.

It also makes a number of controversial suggestions for increasing energy production. The granting of new leases and oil production licences should be accelerated for the North

Sea, Alaska, and the United States continental shelf.

Moderation of environmental restraints on new energy development, particularly for coal and nuclear power, are recommended combined with promotion of coal.

Other measures include elimination of price controls on crude oil and natural gas in the United States; incentives for secondary and tertiary oil recovery techniques; and government support for solar energy, coal conversion and extraction techniques for shale oil and tar sands.

The OECD says that if trends continue unchecked, energy requirements by 1985 will have risen by 47 per cent to the equivalent of 101.9 million barrels of oil a day.

The OECD is heading for oil consumption of 50.3 million barrels a day by 1985 of which 35 million barrels would be imported. The report claims its programme could hold consumption to 42.7 million barrels and actually reduce the level of imports by 4 per cent.

World Energy Outlook, OECD Paris, \$12.90 or £5.90.

Newsprint producers insist on full price rise

By Edward Townsend

Scandinavian newsprint producers are insisting that British newspapers pay the full £40 per tonne increase imposed on January 1, despite increasingly vehement claims from users that the rise is unjustified and unfair.

The larger part of the increase, which raises the price of 45 grammes quality newsprint to £26.50 per tonne, is to cover losses from the falling value of the pound. However, publishers now demand that, as sterling has risen in value against the dollar and the Swedish krona, the rise should be reduced.

The United Kingdom Newsprint Users' Committee, which represents national and provincial newspapers, took the unusual step yesterday of issuing a statement condemning the rise. A leading Scandinavian supplier said, however, that although the pound had strengthened, the new level was still considered just and fair.

"We are reluctant to continue the argument through the press", he added.

Negotiations between British and Scandinavian newsprint producers have been friendly, but the latest round has become increasingly bitter, with the troubled newspaper industry facing an annual addition to its cost of £40m.

The Canadian suppliers first announced the £40 rise, followed quickly by the Scandinavians with both groups, who supply two thirds of British newsprint demand, imposing the same currency clause allowing for further rises in sterling's value fall below \$1.55.

The users then accused the producers of operating a cartel, which was denied.

Publishers claim that because the dollar and krona have risen in value in relation to sterling, the Canadian price for the 48 grammes quality could justifiably rise from £208 to £220 per tonne, including a "real" increase for the mills.

The Scandinavian price, they argue, could rise to £220 and to £240 for currency issues as high as £238. But demands for £248 for the grade are "excessive".

Although the publishers seem determined to fight the increase, few sources of action appear open to them. Threats late last week to sue the producers for breach of contract were not taken seriously, and the Nordic producers stress that they must have the full rise to ensure the survival of some loss-making newsprint mills.

With continental buyers on the whole having reached agreement with the Scandinavians, the British feel they are standing alone against the demands. However, there are now signs of a split among United Kingdom buyers, and when the first payment of the new rates falls due on February 25, some are likely to pay without argument.

Kuwait stake in Romania refinery plan

By Peter Hill

Kuwait may take a 20 per cent stake in a petrochemical development in Romania, as part of a huge crude oil and investment package under negotiation between the two countries.

The two countries are considering building an eight million tonnes a year capacity refinery, and associated petrochemical facilities at Navarino on the Black Sea. This will involve Kuwait supplying crude and possibly the first involvement of Kuwaiti cash in a Communist block country.

Final decisions are expected in March. According to the weekly journal *Chemical Age*, the final outline of the deal is not clear, but apart from the supply of crude, Kuwait is also understood to be negotiating participation in the venture either through a 20 per cent stake in the equity or a straight cash loan.

Total investment on the site could amount to \$900m (about £520m), and the facilities are likely to include a large ethylene plant, together with styrene and aromatics production facilities.

Kuwait also plans to build a \$1,000m ethylene complex at Shuaibi on the Gulf, with the bulk of the plant's output destined for Europe.

Coffee revenue hope

Brazilian coffee officials are projecting 1977 coffee revenues conservatively at \$2,300m (£1,341m) the record level of last year, with an estimated 77 per cent of last year's exports. Other estimates by private dealers project revenues of up to \$3,500m with lower exports.

Whitehall reported on state worker directors

By Malcolm Brown

An interdepartmental committee of senior civil servants examining the nationalised industries, had already reported to ministers on worker directors, according to a statement from the Treasury yesterday.

The committee is headed by Mr Alan Lord, second permanent secretary to the Treasury.

This goes some way towards explaining the reference by Mr Dell, Secretary of State for Trade, during the Bullock debate on Wednesday, that the Government had considered the development of industrial democracy in the nationalised industries and decided that employees in these industries should be given the right to representation at board level.

Consultations would proceed in parallel with the Bullock consultations and the conclusions would be included in any forthcoming legislation.

The Treasury declined to indicate precisely how the Lord Committee had advised ministers, but the committee's advice is likely to be summarized later

in the year when the White Paper on industrial democracy and on state industry structure are published.

The state industries were reluctant to become involved in the Bullock debate, preferring to wait until further talks with the responsible ministers on how industrial democracy is to be applied in their individual cases.

The Electricity Council, which said it would await details of the Lord Committee, claimed to be already in the forefront of worker participation.

The British Steel Corporation, which already had worker directors on its divisional boards indicated that it would be prepared to discuss the issues involved if approached by the Government.

British Rail said that it would prefer to see the existing arrangements for participation in the railways extended rather than replaced by something completely new.

The Post Office said it was committed in principle to worker participation on the board.

But last night a spokesman at AEEU London headquarters said: "A decision will almost certainly be made at next Tuesday's meeting."

Mr Jack Jones's Transport and General Workers' Union is also considering a report from its Coventry officials. They are particularly annoyed by the Canadian company's refusal to modify its original offer to the strikers.

Management has insisted from the beginning that it would not return to the negotiating table until the strikers resume work, and meet the agreed daily production target of 48 tractors.

But local union officials insist that as this target was the cause of the original stoppage, the company was being deliberately provocative.

The strike began when assembly workers were refused payment for not meeting the target while talks proceeded on piecework rates and manning levels to produce a new range of tractors.

There are ample opportunities overseas to exploit similar markets, and we are moving towards that goal. For example, in Ireland, Germany, Austria and South Africa we are now beginning to sell increasing quantities of plastic extruded products. This follows the recent substantial investments in buildings and plant we have made in those countries to initiate local production. Exported sales to France are now at a level where there, too, we are considering a manufacturing unit. We are promoting the DIY market in Germany with wider product ranges and in Austria additional Homecare shops are being opened. More depots will be established in Ireland and our distribution buildings across Canada are being extended.

Where we do not manufacture, the promise of export business is good, particularly for those newer products we are developing at home. This is especially true of HEC markets, where customers are showing great interest in auto parts recently developed by Marley Foam, and in the product ranges of Marley Buildings. The export potential is encouraging for plumbing products from Marley Extrusions and new floorings from Wallington Weston.

When we last revalued fixed assets at the end of 1971 a surplus of £11.5 millions was recorded. In the five years since then the aggregate inflation rate has been 90%. Our fixed assets all over the world are clearly undervalued, particularly so when it is remembered that large sums have been spent on freehold selling outlets—superstores, depots, warehouses, in the UK, Ireland, Canada and other countries. Towards the end of last year, therefore, we initiated an overall revaluation of our fixed assets and the outcome will be announced later in 1977.

Looking to the future, our policy of expansion and diversification is expected to continue over the years ahead. We shall spend more monies on product development, particularly in the plastics field. At the same time we are still looking closely at investment possibilities in overseas countries, including those where we are not yet materially represented.

Indonesia rejects tanker deal

From Our Correspondent Hongkong, Jan 28

Dr J. B. Sumarlin, the Indonesian Minister of State, has rejected the latest offer by Mr Bruce Rappaport, the Geneva-based tanker charterer, to settle the \$1,200m (£720m) tanker charter dispute between his later Marine group and Pertamina, the Indonesian state oil company.

According to the latest issue of the *Far Eastern Economic Review*, the Rappaport offer was that Pertamina should pay \$259m of outstanding amounts due, and return the tankers to Rappaport charter companies. Remaining promissory notes would be cancelled and other obligations and actions terminated.

In an interview with the *Review*, Dr Sumarlin, who is head of the Indonesian team dealing with the tanker problem, said: "The offer is unacceptable to the Indonesian government."

The promissory notes were signed by Lieutenant General Dwi Sutowo, the former Pertamina head, in January, 1975. In a recent court decision in New York, where Pertamina is defending, attempts by Mr Rappaport to secure payment, General Sutowo claimed that he had signed the notes without reading the terms.

He further claimed that they had been signed by him to help Mr Rappaport; that they had not been meant to be enforced, and that any attempt to enforce them was fraudulent. General Sutowo also admitted receiving an interest-free \$2.5m loan from Mr Rappaport's later Marine Bank.

The *Review* article also revealed additional details of an earlier Pertamina-Rappaport deal through a company called General Maritime (Genmar) which, it said, had been financed by Pertamina.

It had received money from Pertamina which was used as security in chartering ships from various owners which were then on-chartered to Pertamina at higher rates.

Last week, the *Review* had revealed that Mr Rappaport was facing an action in New York by Sanko Steamship of Japan in respect of non-payment of charter hire on the Kaiko Maru, a tanker. This was on-chartered to Pertamina, and is one of the vessels involved in the Pertamina-Rappaport dispute.

LETTERS TO THE EDITOR

Fundamental weakness in shipping control that is a threat to safety

From Mr R. L. Collins

Sir, The establishment of the Rebbeck Committee on marine pilage, as reported recently in *The Times*, provides yet another stage in the Government's efforts to produce long overdue reform. I believe that the real issue is, or should be, one of providing the optimum degree of safety in the movement of shipping in our waterways.

It is unfortunate that previous considerations have not taken into account the objective. They have been more concerned with preserving the pilots' much cherished but outdated independence, while certain pilage authorities have devoted their energies to maintaining the present structure.

The archaic British system of pilage is based upon a system of self-employed pilots, operating independently of the port authorities, who are charged by Parliament with the overall responsibility for the control and safe movement of shipping within their jurisdictions.

Until some 20 years or so ago, such authorities limited the application of their control powers to vessels approaching and manoeuvring within the dock systems. No control was exercised on movement of shipping in the port channels and the approaches thereto.

This was due to both the absence of a real necessity for it at that time and also to the lack of the technical equipment to provide it.

The development of larger vessels, the increasing carriage

of hazardous cargoes, together with the availability of VHF radio-telephone communications and port radar installations, have combined to change the situation. Shipping control is now a necessity and is exercised by the port authorities through their marine officers.

We have, therefore, an anomalous and potentially dangerous situation in which the two parties concerned with the safe movement of shipping are divided. This is the fundamental weakness of the present system.

Marine safety is decidedly ill served by this outdated and divisive feature of our marine profession. The risk of conflict is too great and the developments in shipping control may make the conflict intolerable.

Port navigation stations have now been in operation for some years and have made a significant contribution to marine safety. More recently, pilotage bodies have also established modern communication stations and the coastguard service has established a communications and surveillance station for the Dover Straits, the Channel and the English Channel.

Thus we have an assortment of stations around our coasts exercising various functions concerned with navigation, operating independently of each other on a patchwork basis with no effective co-ordination.

Not only is there unnecessary and wasteful duplication of stations in some cases, but there is a danger of confusion among shipmasters as to the powers and duties of the

various stations. Only the port authorities have statutory powers to control shipping.

There have been previous proposals for the amalgamation of port authorities and pilotage bodies. The Rochdale Reg. of 1962 and the ill-fated 1970 are examples. More recently, the International Symposium on Marine Traffic Services in The Hague in 1976 dealt with the issue. In the conclusion, pilots and port officers should "properly co-operate under the same authority".

I would suggest that this situation is best met by a comprehensive marine body which may be called Reg. Marine Authorities. It would combine the functions of the present port authorities and pilotage functions.

Apart from the administrative advantages, pilots would benefit from having experience in other navigational duties. Shipping control officers would be more effective in this from having had local pilot experience.

The safe movement of shipping requires a strong unified marine profession. I urge Doctor Rebbeck's committee to direct their efforts to this aim.

Yours faithfully,
R. L. COLLINS,
26 Stangate Road,
Stoodley,
Rochester,
Kent.

Development of the Suez Canal

From Mr T. F. D. Sewell

Sir, In your issue of January 18 you published an article describing the study which has been undertaken by a British group, into the whole question of the current and future development of the Suez Canal.

As the team leader of the firm heading up the group I should like to correct some false impressions given by the article.

First, we estimate that the current scheme to enlarge the canal to provide for tankers of 53 foot draught is unlikely to be completed until 1980, which would nevertheless be a fine achievement in view of the size of the undertaking. The date given in the article was 1978/79 which had been the Canal Authority's estimate some time ago.

Secondly, contrary to what is stated at the end of paragraph 10, we do recommend that the canal be further widened to accommodate 68 foot draught tankers, provided that predicted trade growth is verified in practice and that funds can be made available. Because of these two factors we feel that a possible course which might

be taken by the Canal Authority would be to complete the 53 foot scheme, see if the traffic continues to build up to the predicted rate and then to make provision for increasing the canal capacity by constructing by-passes and improving operational methods.

After reappraising the trends in tanker traffic the authority could then decide to expand to 68 feet, but in order to avoid the traffic congestion which this will create we have recommended that the work of duality should be finished preferably before the completion of the 68 foot stage.

To give credit where it is due, we should add that the model research work was undertaken entirely by the staff of the two laboratories concerned, under our general direction. In addition, the computer simulation of the convoy movements and capacity problems was undertaken by staff at the University of Wales Institute of Science and Technology.

Yours faithfully,
T. F. D. SEWELL,
The Grove,
Colchester,
Essex.
January 21.

A vain wait for help

From Mr J. S. Findlay

Sir, Since the Labour Party, when Mr Callaghan made a timely speech, the need to encourage industry, I have been waiting vainly for practical measures which would give substance to his words.

We are a small engine company with 60 employees working in the high-tech field of automatic measurement and control. In the six months we have had no new employment, a cancelled, a delay in payment for capital expenditure in development areas, grants for vocational training withdrawn and the announcement of a further increase in National Insurance contributions.

Thus, customary cash are being closed at fresh ones opened to take place. Now that the Minister has placed himself in charge of industry it is hoped that he will do something to help.

Yours sincerely,
J. S. FINDLAY Chairman,
Findlay Irvine Limited,
Bog Road,
Penicuik,
Midlothian.
January 21.

Puzzled by the British attitude

From Mr Gunnar Dahl

Sir, As a Swedish businessman with many British friends I am very sorry to hear about all your economic troubles in Britain. But why do British firms make so little effort to please foreign customers and secure the much needed currency instead of constantly borrowing money from abroad?

Last June when I was in London I ordered a Range Rover from British Leyland. Delivery was promised in seven months, which seemed a shocking delay for a country that is short of cash. Then a few weeks ago I received a letter from British Leyland to say that delivery would be in sixteen months, not seven. The letter contained no explanation

or apology for the salesman's misleading promise, though it was on notepaper bearing a coat of arms saying "By appointment to Her Majesty the Queen", which I understand counts in your country as a sign of dependability.

When I expressed my surprise at this casual and unsatisfactory attitude, the British Leyland man who had made the sale explained that he had more than 150 export customers who had been let down by a similar delay. If that is true, through that single salesman there is a potential earning of about £1m which could be paid to Britain tomorrow but which will not be paid for more than a year because the company is not giving its foreign customers priority.

Meanwhile I am told Britain has just taken a large loan from the national Monetary Fund that ordinary people are in for it with harsh penalties.

Frankly I do not understand the British attitude. You nation of shopkeepers children are starving, but turn customers away from your shop. Until British land have kept their appointment with me, the buyer which your country perately needs, they perhaps postpone the appointment with the Q.

Yours faithfully,
GUNNAR DAHL,
Managing Director,
Delta Förlags AB,
Bromma, Sweden.

Trade unions and pension fund management

From Mr Harry Lucas

Sir, I note that the campaign of the CBI against the various employers against the Government's proposals for membership participation has continued through the season of goodwill with equities from Mr J. S. McLeod on Christmas Eve and the festive day of Christmas.

I write to express my hope that the Pensions and Social Services Department of the country's third largest trade union. We have considerable experience in negotiating pension schemes, and are probably dealing at any one time with about 400 schemes, including many of the largest.

It is certainly my impression that the majority of workers in these schemes are unionized. I have no figures for this, any more than the minister has, because no statistical work has been done on the subject. We can be fairly sure that if there had been a question on trade union membership in the Government Actuary's survey on pension schemes, there would have been an outcry!

I would strongly dispute Mr McLeod's assertion that "in the past funds have usually been managed by scheme members nominated by management". On the contrary, this has rarely been the case except where, coincidentally, there has been a common pension scheme for all employees up to senior level.

Often the company secretary and/or a director is a trustee, and management of the fund's investments is delegated to a subcommittee on to which outsiders who cannot possibly be members of the fund are brought. Membership participation is now slowly coming into vogue, but only after repeated

pressure from the trade unions.

Of the top 100 companies in The Times 1,000, I have personal knowledge that membership participation schemes have been recently negotiated in 14. A further six or seven have longstanding participation arrangements, as indeed does the vast majority of schemes. These involve members in any way in the management of their own money.

In other words, the vast majority of pension scheme members are currently disinterested, and would be given new rights by the White Paper's proposals.

One must congratulate the CBI on their frankness in proclaiming their real objections. What they are really afraid of is that trustees appointed through the machinery of organized labour will control substantial—and fast growing—capital assets, and so will have the means to determine the investment patterns of the industries that employ them. Their objection, therefore, is a political one.

For the very reasons that they fear it, we welcome it as a small step towards more democratic participation in the control of the nation's economy.


I am glad, however, to be able to agree with Mr McLeod on one point. There has in the past been much confusion between the roles of negotiating pension schemes and administering those schemes according to the Trust Deed and Rules. This confusion arises on both sides—it is not unusual to find a management trustee doing another hat to resist involvement in a pension scheme that is proposed by the trade unions.

It is clear in trust law it is the duty of the trustee to administer the pension for the best interests of the members, and not with a view to any sectional interest. It is a task that requires common sense and prudence, and expertise; it is for trustees to employ the expert. It is a task that members of the fund appointed to their organized bodies—the trade unions—are well placed to undertake, because they eventually have to pay the pensions the fund provides. If any one is to play "ducks and drakes" the money, it is not they.

I sincerely hope Sir A. Pilkington is not correct in saying that "the way in which the pension fund is managed is a matter of internal concern to the pensioners themselves". That is a disaster. The pensioners' Act did not say that. The pensioners' Act did not say that. The pensioners' Act did not say that.

It is a disaster. The pensioners' Act did not say that. The pensioners' Act did not say that. The pensioners' Act did not say that.

Yours faithfully,
HARRY LUCAS,
Head of Pensions and Social Services Department,
General and Municipal Workers' Union,
Ruxley House,
Claygate, Essex,
Surrey.
January 7.



Investing for growth at home and abroad

The Annual General Meeting of Marley Limited will be held on March 9 at Riverhead, Sevenoaks, Kent. The following are extracts from the Annual Statement by Mr. Owen A. Aisher, the Chairman:

In 1976 our world-wide sales to customers increased by £52 millions to £203 millions, pre-tax profits rose by 58% and earnings available for distribution have doubled.

As good as these results are, of greater importance is the high level of new investment we have laid down in recent years. The rate of expansion was accelerated in 1976, when £23.6 millions was spent on fixed and working capital. During the last three years, we have ploughed back into the business £36 millions of undistributed profits belonging to shareholders. This sum, together with additional facilities from the banks, enabled us to increase by a total of £50 millions our fixed assets and stocks and still leave total borrowings at less than 25% of our capital employed.

Whilst doing all this, our domestic cash flow has been strong enough to avoid taking up any of the medium term bank facility arranged in 1975. Until 1980, therefore, we still have available to us approximately £10 millions of bank money and as when needed, over and above the funds we shall generate within the company.

The nature of our business has changed over the last decade and current investment policies indicate more change in the future. We are researching new products and new markets with growing emphasis on the maintenance and enlargement of existing homes, a large proportion of which are still well below modern requirements. The majority of UK residents own the homes in which they live and, whether more or less new houses are built, the number of owner occupiers will continue to grow. They have every incentive, financial or otherwise, to maintain and enlarge their property which in most cases represents their main security against future inflation. The potential of this kind of market is immeasurable and we intend to increase our share of it. The turnover figures show our further expansion into home improvements, with new housing taking a reducing percentage, now only 19%, of our total sales.

There are ample opportunities overseas to exploit similar markets, and we are moving towards that goal. For example, in Ireland, Germany, Austria and South Africa we are now beginning to sell increasing quantities of plastic extruded products. This follows the recent substantial investments in buildings and plant we have made in those countries to initiate local production. Exported sales to France are now at a level where there, too, we are considering a manufacturing unit. We are promoting the DIY market in Germany with wider product ranges and in Austria additional Homecare shops are being opened. More depots will be established in Ireland and our distribution buildings across Canada are being extended.

Where we do not manufacture, the promise of export business is good, particularly for those newer products we are developing at home. This is especially true of HEC markets, where customers are showing great interest in auto parts recently developed by Marley Foam, and in the product ranges of Marley Buildings. The export potential is encouraging for plumbing products from Marley Extrusions and new floorings from Wallington Weston.

When we last revalued fixed assets at the end of 1971 a surplus of £11.5 millions was recorded. In the five years since then the aggregate inflation rate has been 90%. Our fixed assets all over the world are clearly undervalued, particularly so when it is remembered that large sums have been spent on freehold selling outlets—superstores, depots, warehouses, in the UK, Ireland, Canada and other

BY THE FINANCIAL EDITOR

Changing gear on interest rates

day's news of the Government's decision to raise the rate of interest from 12 to 13 per cent, and the fact that sterling could be finally released from the back seat when it is no longer a threat to the pound, has led to a rapid rise in the price of the long "tap", and a belief that this was a further heavy move towards a more normal money market. The Bank now had to allow the interest rates to proceed more quickly than envisaged, but still left the two minds as to what the authorities would do and which end of the money market was the more attractive in the week the had generally been in short end. Yesterday much the rest of the market being put forward, long was Bank might well let it down fairly fast but as far as some had been and certainly as to leave much a short gilt market, already been moving ahead of events.

inter argument has the authorities will g a losing battle if of allow short rates to rise further and the extent that they ry and direct "hot lows in a monetary ext and protect them- inst pay negotiation they would do better be on "restraining id of the market and rds a more meaning- urve. le, the FT Govern- ment index is back a whisker of last "high" and the ke continues to be / its controls into ound for the year.

mic recovery gather- a Incheape's main the Far East, the and South East was never the present year strong consolidation second half revival of is year.

the first half outcome y exceeds most out- as in the £28.5m, and full year end- now have to be up- th something in the £70m band looking y against £37m last that basis Incheape t a prospective 4.7, up 15p on the results, a yielding only 44 per cent, a reflection of the fact that the dividend is now covered over seven times and there is not much BSC can do about that given that the Government Sugar Board holds just over 30 per cent of the equity and would obviously not be happy about a rights issue or an acquisition which would dilute this stake. Final: 1975-76 (1974-75)

Capitalization £34m Sales £207m (£115.5m) Pre-tax profits £14.3m (£7.6m) Earnings per share 69.4p (38.8p) Dividend gross 14.25p (12.99p)

Plessey Laying some ghosts

Plessey's third quarter pre-tax profits are a fifth higher at £9.6m and keep up the recovery already made in the previous four quarters. Yet this was some way behind outside



Lord Incheape, chairman of Incheape: robust trading performance

albeit at a more subdued pace, seems fairly certain, but with the big profit bounce already under its belt Incheape's share price performance could now be relatively subdued.

Interim 1976-77 (1975-76) Capitalization £247m Pre-tax profits £32.9m (£17.3m) Dividend gross 10.5p (6p)

British Sugar Financing expansion

British Sugar's strategy at the moment is directed towards raising sugar production capacity from 350,000 tonnes annually to 1.25m by 1980, and then weather permitting, being able to take advantage of this with some splendid beet crops.

At present, though, the beet harvest is the problem, though one can see from the 1975-76 figures what BSC is aiming at. For existing capacity is pushed up profits by almost 90 per cent to £14.3m, much better than the £12m indicated at the interim stage due to lower than expected costs and the better competitive position which emerged in the second half after the Government's equalization scheme had ended.

But BSC needs profits like this and more if it is to cope comfortably with an investment programme which, for example, will absorb some £30m in the current year. Cash flow will contribute fairly handsomely to this even allowing for the poor 1976-77 crop, but BSC has also arranged £15m of medium-term finance, apparently most of it from FFI.

Meanwhile, the shares at 34p, up 15p on the results, are yielding only 44 per cent, a reflection of the fact that the dividend is now covered over seven times and there is not much BSC can do about that given that the Government Sugar Board holds just over 30 per cent of the equity and would obviously not be happy about a rights issue or an acquisition which would dilute this stake. Final: 1975-76 (1974-75)

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estimates and the shares' hold steady at 69p in an otherwise frisky market.

From here on, however, Plessey should start to show its paces after the lacklustre performance of the last couple of years. The company went to some lengths yesterday to lay the ghost of its telecommunications business, where the spectre of Post Office cuts has dogged the share price, explaining that excluding exports this now accounted for only 18 per cent of sales against 24 per cent last year with Strowger and Crossbar down to 11 per cent, though the cuts did hit third quarter profits to the tune of £400,000.

Plessey also stressed the changing mix of its business, particularly the growing emphasis overseas which

Buoyancy on the electronic and micro-system side helps explain the £3m jump in overseas profits on only a £10m sales gain, though the corollary of this is the margin in the United Kingdom must have been under pressure from the PO cuts and continued start up costs on TXE4 equipment.

To judge by Plessey's confidence and its forecast that exports will top £100m for the year against £60m to date, the fourth quarter should gather further momentum. But that is unlikely to mean profits much above 1975's £40m which with the earnings dilution from the rights issue means a prospective p/e ratio of around 6. The yield, though, is a generous 10.8 per cent and profits come through inflation accounting with little more than a one-third fall.

Nine months: 1976-77 (1975-76) Capitalization £162m Sales £408m (£344m) Pre-tax profits £28m (£25m)

Fitch Lovell Improving margins

The improvement in manufacturing margins at Fitch Lovell evident in the second half of last year continued in the first six months of the current financial year. And with profits before interest and exceptional items up 60 per cent from £135m to £217m, the division is also clearly benefitting from consumer trading down to its pies and cooked meats.

Margins have also apparently improved in the retailing side (profits up from £461,000 to £545,000), and it is the potential for further improvement on margins and the full digestion of David Greig that could provide some solid profits growth, although Fitch Lovell has a reputation for highly competitive pricing in the retailing field.

The overall results were in line with market expectations, although the profits split provided a few variations. The poultry side had been expected to show a decline after the very buoyant first half last year and increasing feed costs, but the drop from £1,080m to £901,000 was more than some had expected. However, unlike last year, poultry prices have remained firm since Christmas which is a good pointer.

The shares have been very strong lately, up 9 per cent relative to the market as a whole, partly on recurring bid talk. In the absence of that materialising, the shares at 56p, up 1p yesterday, are reasonably priced with a prospective yield of 10 per cent and a p/e ratio of about eight with profits in excess of 57.2m in sight for the full year.

Interim 1976-77 (1975-76) Capitalization £27.1m Sales £113.8m (£113.8m) Pre-tax profits £3.4m (£2.45m) Dividend gross 1.76p (1.6p)

Business Diary: Whither Sir Douglas? • Textiles' MacArthur

Douglas Allen, head of Sir Douglas's service, to do the duties of the company of 60 this Decem-

ence a key job in state corporations, vice, falls vacant in the term of a present chairman active, Sir William Brex-

name is having diff- finding full-time the demanded Post -no less than th- one retire- last few months- end of the year ref of all but one full-time board

m has already had office extended by so the appearance glas Allen on the e than timely; it is as the salary bicker- characterized the s to state corpora-

new director. The organization which represents both employers and the unions has settled for an advertising man. He is Ian MacArthur, former Tory MP for Perth & East Perthshire between 1959 and 1974, and now director of administration with J. Walker Thomson.

MacArthur's links with the textile industry have hitherto been restricted to contact with textile organizations in his former constituency and in his advertising work. MacArthur has been an opposition spokesman on Scottish affairs and a member of the whips' office.

He will join the BTC at the end of March when the organization holds its annual general meeting and could hardly come in at a more important time for the textile industry.

Renegotiation is due in Geneva of the Gatt Multi-Fibre Arrangement, designed to ease trade between the developed and the less developed world. Britain and the EEC want big changes, although the Americans and the Japanese don't.

hand at looking for metals, this time for Sir Douglas's subsidiary based in The Hague. Bowen has been responsible for finding six commercial oil fields for the Shell/Esso group. Without doubt his greatest achievement was finding the Brent field, the largest oil reservoir in United Kingdom waters, and following this up with a successful bid of £21m for a nearby block in the British government's oil property auction.

Bowen admits he spends most of his time behind a desk at the Shell Centre but he was aboard the rig Srafo when the Brent discovery was made.

His subsequent visits into the North Sea coincided with two other oil discoveries by the group with the result that for a time the men on the rigs began to look on him as an omen of good luck.

Trib lib Dr Peter Jost, who is taking over from George Brogan as president of the Institution of Production Engineers, is the man who popularized tribology, or the science of lubrication.

He chaired the then Department of Trade and Industry's committee on tribology, whose last report appeared in 1973. The cost of the committee and the subsequent establishment of three tribology research centres cost about £15m in public money, but the application of the new knowledge may have saved industry about £300m.

Jost, a director of many technology-based companies would like to see Whitehall more active in fostering the application in one field of new knowledge developed in another, as

Word processing has already come a long way from the days when the phrase was synonymous merely with automatic typewriting. As well as automatic typewriting (or high-quality automatic printing), it now embraces information storage and retrieval, text editing, minicomputer control, video displays and telecommunications.

But the forecasts (by the suppliers) that the market was about to take-off in a big way, an annually recurring phenomenon for some years now, have not materialised. Though in many ways the office environment was ripe for new techniques—growing costs and numbers of office staff, increasing volumes of paperwork, low capital investment per worker compared with manufacturing industry, and so on—the potential productivity gains were outweighed by the inertia of traditional practices in all but the largest of organizations.

For many years word processing (including for the moment dictation equipment, copiers and facsimile) was based on automatic typewriters, which gradually acquired larger and more convenient magnetic storage and editing facilities, and the ability to manipulate or edit the text.

Over the past two years the

technology has advanced rapidly, as the power of mini-computers and microprocessors and the ease of use of video displays have been harnessed to the processing of words as well as data. Many companies (some old, some new, some now out of business) have entered the market, still awaiting clearance for take-off.

Meanwhile, IBM, the grandfather of word processing, had remained cool from this particular brand of high-technology, small-size, video-based system. The corporation had a range of advanced magnetic-card typewriters, and had provided word processing for users of its large System 370 computers (and, in the United States, for users of its small System 32 also) but had not ventured into the new generation of word processors.

Not that it is, until this week. Simultaneous announcements in the United States and Europe on Wednesday revealed the birth of the IBM Office System 6, a ready-made family of new-style "information processors". Among the features of the new machines are the use of magnetic cards and magnetic "floppy discs" (as used in existing IBM typewriters and copiers), a small video display to guide the operator and show the typing/editing as it takes

place; and the company's ingenious ink-jet printer for the production of the final document.

The new range appears to reflect, in short, its parentage which is IBM's general business systems group, formed in 1975 to bring together office-products and small-computer divisions. Though these divisions retain their separate development—the System 6 is specifically from the office-products division—the technologies are drawing closer together.

In setting up its general business systems group, IBM was preparing for what it saw as the future pattern of office information-handling systems. This would be marked by the increasing use of microelectronic and computer technologies; and increasing integration of the separate technologies of handling data, text, graphics and voice communications.

This week's announcement is a pointer to these future changes. So far the word or information processors represent a combination of data-processing and text-processing technologies. And, as has happened with data processing, the linking of separate locations by telecommunications is now happening with text processing.

The ink-jet printer is both a word processing output device and, potentially, an "electronic mail" terminal; it can be used for the delivery of letters or other documents over telephone lines.

It is indeed approaching the "intelligent copier" which, according to Quantum Science Corporation, will play an important role in the confidence of technologies in future business information handling. This represents a merger of computer and copier technologies, and eventually will include graphics as well as text.

Thus the companies that will be best placed as the market for integrated office system develops will be those that have various combinations of data-processing, text-preparation, copier/duplicating, facsimile and office communications products.

The leaders clearly include IBM, Rank Xerox, Burroughs, Redacron, Kalle Infotek, Philips and Olivetti. The total market in western Europe for office technology equipment (text preparation, copier/duplicators, microfilm and office communications) in 1976 amounted to about \$3,300m and, according to Quantum Science estimates, will grow by 17 per cent a year to reach about \$7,400m by 1981. Of that total, text preparation

equipment (typewriters, dictation equipment and text-editing equipment) accounted for \$840m in 1976, rising to an estimated \$1,370m by 1981.

Within text preparation, in turn, text editing equipment accounted for 10.8 per cent of the 1976 total. An annual growth of almost 21 per cent (about twice that of text preparation equipment as a whole) should raise this proportion to 19 per cent of the total by 1981.

IBM's new information processors are not cheap; they range from about £11,500 to about £22,500, or monthly rentals of about £300 to £640. But they will make possible powerful new information handling systems which combine data from computer files with the text of letters, reports and other documents.

Combined with the use of magnetic-card typewriters, and long-distance telecommunications, they can now give the large or medium-sized organization a more flexible, "distributed" pattern of word processing. Again there is the analogy with computing.

Kenneth Owen

Technology Correspondent

IBM suits the action to the word

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Lager brews profits and problems

to be available only in bottles. Whatever the reasons, the public increasingly likes lager and so do the brewers because it is a premium priced drink on which profit margins are generally high.

When Allied Breweries announced its £164m investment plan, it was hailed by unions and government as an example of the level of capital spending necessary from industry to restore the nation's fortunes and reduce unemployment. Yet it is surprising that the brewers' capital spending spree, not because of its magnitude, but because it is taking place when the beer market is stagnant.

Last year there was a 1 per cent drop in beer production and the decline would have been larger but for a second consecutive long hot summer. The industry's conventional wisdom is that no more than marginal overall volume growth will be seen until 1979-80 and beyond.

While there is much ancient plant in use in the industry and there is an obvious need to replace it, today's eagerness to invest in new and improved breweries can largely be explained by the changing product mix, and especially by the rising demand for lager.

A decade ago lager accounted for approximately 2 per cent of the total United Kingdom beer market. By 1971 it had a 10 per cent foothold which had risen to 19.9 per cent at the end of 1975. Most observers believe that lager now accounts for about one in every four pints drunk in Britain.

Eyebrows were raised only three years ago when Bass Charrington suggested that lager would take a third of the market by the turn of the decade. Today most brewery boardrooms are exercised by the problem of whether lager will be taking nearer 40 or 50 per cent of the market by the mid 1980s.

Many reasons have been offered for the rapid rise of lager. It is a young drink, preferred by that age group with the largest disposable incomes, it is "European" and just as with vodka in the spirits sector, its growth can be partly attributed to the growing public preference for the bland drink with mixers.

It has also lost its original feminine image and has ceased to be available only in bottles. Whatever the reasons, the public increasingly likes lager and so do the brewers because it is a premium priced drink on which profit margins are generally high.

Not all the new plants being built are purely devoted to the growing demand for lager. Many of the small regional brewers are expanding the production of their traditional ales. To them the cost of investing in lager making plant would be prohibitive.

Both the Courage plant at Reading and S & N's planned new brewery in the North-east will be largely ale plants. Yet few people build a brewery without a lager-making facility today, certainly not the companies with nationwide coverage.

Investment in the next three years is designed to meet the seemingly inexorable growth in lager plus the expected upturn in total beer demand after the turn of the decade from new plants designed to increase margins. While the industry looks forward to a return of volume growth it is still uneasy. If the carefully, and expensively, created lager image crumbles Britain's brewers could be left with a lot of expensive capacity on their hands, and £200m is a large sum even in the brewing industry.

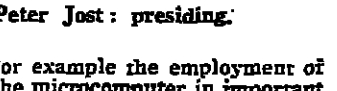
GALLAHER 1976 RESULTS

The Directors of Gallaher Limited announce the following figures, subject to audit, in respect of the year ended 31st December, 1976:

(All figures in £ millions)		
GALLAHER LIMITED AND SUBSIDIARY COMPANIES	1976	1975 (Note 1)
GROUP SALES (Note 2)		
Tobacco - Domestic	768.9	654.3
-- Overseas	143.3	88.8
Engineering	47.2	44.1
Optical	27.9	24.1
Distribution	143.8	121.1
	1,131.1	932.4
GROUP TRADING PROFIT, before Interest		
Tobacco - Domestic	29.5	28.6
Overseas	6.4	3.0
Engineering	3.6	5.7
Optical	4.7	4.3
Distribution	2.6	2.6
	46.8	44.2
INTEREST CHARGES	5.7	7.4
GROUP PROFIT, before taxation	41.1	36.8
TAXATION (Note 3)	20.8	18.6
GROUP PROFIT, after taxation	20.3	18.2
MINORITY INTERESTS	0.2	0.2
EXTRAORDINARY ITEMS (net of taxation) (Note 4)	20.1	18.0
	(loss) 0.8	(profit) 3.4
GROUP PROFIT attributable to ordinary shareholders	19.3	21.4
ORDINARY DIVIDENDS	1.5	8.7
PROFIT retained for the year	17.8	12.7
Depreciation charged in arriving at Group Trading Profit	11.0	9.0

NOTES

- 1975 Profits. The 1975 figures for Profits have been increased by £366,000, following the adoption of Statement of Standard Accounting Practice No. 9 whereby all stocks now include production overheads. The surplus arising from this change for periods prior to 1975, amounting to £1,412,000 will be dealt with as a prior year adjustment.
- Group Sales. Sales exclude V.A.T. or its equivalent. The comparison for sales of tobacco products has been largely affected by the tobacco taxation increases included in sales from May 1975 and May 1976 onwards.
- Taxation. U.K. Corporation Tax has been provided at a rate of 52%.
- Extraordinary Items. The charge arises from the net loss on exchange on conversion of foreign assets and liabilities into Sterling at year-end rates.



Peter Jost: presiding

for example the employment of the microcomputer in important manufacturing industries.

He would also like to see professional engineering institutions cooperating more than they do, and he cites the co-operation between engineering's big two, his own IPE and the Institution of Mechanical Engineers.

New dynasty? Octogenarian Percy Bilton is back in the lime light this year after once more taking over the reins of the industrial property development group that bears his name.

After half a century in property Bilton does not have much time for the "whiz-kids who descended from Mars or Jupiter or somewhere" and who, after building international development companies with the aid of open-handed bank finance, wound up in the bankruptcy courts in the property crash of 1973.

panies deserved to fail and those now supported by their creditors were a scandal.

"The banks sent lifeboats out for them, they should have sent frigates and shot the lot."

"Experience", he says, is the only really valuable quality for a property man, and in his view after "30 or 40 years' experience you can tell just what value a piece of land has, because every piece is unique."

Suggestions that Bilton is to be bid for by the pension funds and insurance companies that have been willing to put up long-term fixed interest mortgage money for the group are discounted by Bilton. His family and family charity hold a controlling shareholding in the company and the abrupt departure of deputy chairman and managing director Bryn Turner-Samuels last year may be seen as a clash of personalities rather than as a deck-clearing operation presaging a bid.

Donald Bilton, Percy's son, has now been taken on to the board. Although his interests lie more with the family's farms in South Africa, where his father spent much of the year, than in industry, he is understood to be in Britain, his appointment and news that much of the family holdings are being registered in Jersey—suggest that a Bilton dynasty is planned.

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Index up 9 points and long gilts add £1

In a mood of euphoria, both equities and longer-dated gilts staged a strong advance on further signs that the economy is pulling away from its autumn crisis point.

The spur for long gilts was the Bank of England's release of a further 1 per cent of special deposits and the early exhaustion of the £1,250m "tap". Free from this restraint, there was a brisk demand and, by the close, many stocks were up to a full

McClery L'Amie shares, now 17p, are starting to attract attention. Assets are 36p a share, and the yield is 16.7 per cent on a dividend several times covered. After a big fall in profits in the half year to April 30, 1976, a good second half recovery should mean annual profits of around £800,000 against £1.1m.

point better with the "tap" itself seven-eighths better at 97.

Things were not so bright, though, at the shorter end. After a strong start, many stocks were hit by the tight money conditions and by the end were all-square or just a little ahead.

Equities were given an initial boost by Mr Jim Slater's bullish predictions—and helped by the deposits decision and the hope of an MLC cut today—managed to hold on to the best part of the gains. The FT Index, 10.7

up at 2 pm, was 9.1 ahead at 390.7 by the close.

Though many gains were exaggerated by stock shortages, some ran impressively into double figures and were widely spread around the industrial sections. After hours, the White Paper on public expenditure and hints of tax cuts from the Chancellor in Parliament added several more pence to the industrial leaders.

The clearing banks made a comparatively modest response to the deposits release with National Westminster 5p to the good at 237p, Midland 3p better at 285p and Lloyds 2p firmer at 220p. But some of the merchant banks were in good form with Hambros up 5p to 168p, Hill Samuel 4p to 90p, Kleinwort Benson 4p to 96p and Guinness Peat 8p to 173p. After interim figures, Manson Finance dipped 3p to 32p. Sydney Commercial Bank slipped 10p to 135p after a loss.

Among the "blue chips", the strongest performances came from Glaxo 45p to 268p and B&A 41p to 262p to the good, Unilever which added 10p to 438p, ICI 7p to 360p and BAT 7p to 257p.

The big engineers were also in demand with GKN gaining 14p to 294p, Hawker Siddeley 10p to 484p and Metal Box 10p to 278p. Among the second-liners, Associated Engineering added 4p to 98p after a profit forecast and the annual meeting, while others to rise were

Glynwed 5p to 100p and Serck 3p to 57p.

Results from Plessey proved to be a slight disappointment in electricals and the share were

Up went the profits of Crossley Building Products from £463,000 to £584,000 in the half year to June 30 last, and the second six months should have been good enough for yearly profits of around £1.3m, against £1.1m. With assets of around £4p, the shares at 52p, now yield a prospective 12 per cent. The historical price-earnings ratio is only 5.9.

unmoved at 69p. In contrast, Rascal gained 10p to 282p, Thorn 6p to 246p, Decra 5p to 178p and GEC 5p to 189p.

In foods, the interest was on British Sugar which rose 15p to 340p after figures and RHM which were unmoved at 46p after the meeting. Fitch Lovell also reported and firmed a penny to 57p while Reckitt & Coleman ended 5p to the good at 340p.

Dunford & Elliott came back after suspension to end at 71p, after 73p, while surprise bidder, Lomho 3p ahead at 74p and 3p to 141p in the hope of further morning while Standard Trust firmed 4p to 131p after rejecting BR Pension Fund's approach.

Buildings were again in good

form with BPP 5p to 136p, Barratt Developments 5p to 70p, International Timber 5p to 81p, AP Cement 4p to 185p, Tarmac 4p to 139p and Costain 4p to 42p, all unmoved.

Spurred by interest, oils were again well to the fore. With the help of United States buying, BP soared another 40p to a new "high" of 870p with Shell 16p up to 498p and Ultramar 3p ahead to 152p. Charterhall saw some speculative interest and closed 2p better at 241p.

Equity turnover on January 26 was £59.43m (13,186 bargains).

Active stocks yesterday, according to Exchange Telegraph, were ICI, BP, Shell, Becham, BAT, Biff, Burmah, GKN, Town & City, Rank, Lucas, GEC, Charter Consolidated, Court, Marks & Spencer, Dunford & Elliott, Whitecroft, Hanson Trust, Trust Houses Forte, International Computers, MEPC and Reynolds Parsons.

Latest dividends

Company (and par value)	Ord div	Year ago	Pay date	Year's total	Prev year
Abbey (25p) Int	0.48	0.32	7/3	Nil	0.64
Admiral (25p) Int	0.18	0.18	7/3	Nil	0.18
W. G. Allen (25p) Int	0.85	0.85	31/3	—	2.52
Allied Textiles (25p) Int	3.5	3.22	2/4	5.8	5.27
Bell Sugar (11p) Int	4.64	4.22	1/4	9.29	8.44
Cantor's (20p) Int	0.75	0.75	1/5	—	1.81
Dacajon Edges (25p) Int	1.14	1.14	5/4	—	1.83
Diamond Stylis (10p) Int	0.37	0.34	4/3	—	0.8
Edinburgh Asca (25p) Int	0.9	0.75	11/4	0.9	0.75
Fitch Lovell (20p) Int	1.04	1.04	1/3	2.23	2.23
Howard Machinery (25p) Int	1.18	1.08	3/4	2.23	2.23
Inchcape (11p) Int	6.82	3.9	2/4	—	7.51
Y. J. Lovell (25p) Int	3.48	2.11	—	3.48	2.11
Manson Finance (25p) Int	2.88	2.4	2/4	2.75	3.25
Midland Trust (25p) Int	1.2	1.1	7/3	—	3.0
Plessey (5p) Int	1.14	0.98	—	1.81	1.65
Racal (25p) Int	1.1	1.0	1/7	—	4.4
Radley Fashions (25p) Int	1.31	2.07	2/4	3.7	3.37
Saatchi & Saatchi (10p) Int	2.7	1.0	—	1.0	0.5
R. Smith & Shaw (10p) Int	1.0	0.5	—	1.0	0.5
David S. Smith (20p) Int	1.1	1.1	12/3	—	2.16
Vanguard High Yield Int.	1.6	1.35	14/3	2.18	1.82
Watson & Philip (10p)	1.48	1.35	14/3	2.18	1.82

Dividends in this table are shown net of tax on peace per share. Elsewhere in Business News dividends are shown on a gross basis. To standardize figures multiply the net dividend by 1.54. * Forecast rate. † Adjusted for scrip. ‡ For 131 months period.

Siemens regains better returns

World-wide net profit of Siemens AG jumped to DM606m in the year to September 30 from DM453m, Peter Norman writes from Bonn. At the same time it plans to pay an unchanged dividend of DM8.

The jump in profits brings Siemens' return on sales back to the level of the early 1970s. At 2.9 per cent of world-wide group sales of DM20,700m, the group's return on sales is appreciably higher than the 2.4 per cent for 1974-75. Earnings then were burdened by a decision to pay extra funds into pension reserves in a lump sum rather than over a five-year period as permitted by German law.

The dividend payment will cost DM255m against DM240m.

markets and improved its production programme. As a result, capacity use increased with less short-term working.

Philip Morris again at peak

Record 1976 revenues and earnings are reported by Philip Morris Inc, parent company of the Brentford-based Philip Morris Ltd. The results in 1976 extend the company's record of revenues and earnings growth to 23 consecutive years. The growth of both its cigarette and beer operations substantially outpaced the 1976 gains, said Mr Joseph Cullman, chairman.

Overseas

Revenues for the year to December 31 reached \$4,293.8m, up 17.9 per cent. Fourth quarter results also set new records. Revenues were \$1,158.5m, a rise of 19.2 per cent. Earnings for the final quarter were \$67m, a 27.3 per cent advance. The chairman added: "The company's strong performance in 1976 resulted from continued volume growth in both cigarettes and beer, price increases which offset higher costs, and improved production efficiencies." Each of the five operating companies showed improvement.

Schering-Philips

Schering AG, of Berlin, and Philips' Lamph, of Lindhoven, announce that preliminary discussions have been going on for some months for a possible take-over of Philips-Duphar by Schering. It is expected that negotiations will lead to positive results.

For Schering, a leading chemical pharmaceutical concern, this take-over would lead to an important strengthening of its marketing and research potential. For Duphar, it would mean an enlargement of scale essential for continuity.

Renison takes off on tin quota removal

A substantial improvement in tin prices, the removal of tin quotas and to a lesser extent the Australian devaluation boosted profits of Renison in the half-year to December 28.

On sales up 96 per cent to \$A14.7m, net profit soared from \$A877,000 to \$A4,433m. The board says that the tin metal price gains at present levels results for the second-half to end June should match the opening half.

Sydney bank loss

Commercial Banking Co of Sydney went into a net loss of \$A3.94m in the half to end-December against a profit of \$A5.89m. This was on revenues down from \$A69.18m to \$52.97m. But the interim dividend is unchanged at 6.5 cents.

EEC grain output

Brussels—Grain production in the EEC is likely to rise to 105m metric tons in 1977 from near 94.4m tons in 1976, given normal weather conditions, the EEC Commission said in its annual report on the agricultural situation in the EEC. By 1980 grain production may climb to 110m tons, the report said. Because of the severe drought during the summer of 1976, grain production in the EEC fell sharply from 97.2m tons in 1975, also a poor year because of excessive spring rain. —AP-Dow Jones.

Tough trading no bar to Watson & Philip

Records nine times in a row is the proud claim of Scottish based food distributor Watson & Philip but the peaks are getting closer. It is however hard to quibble because business is tough.

Turnover rose from £32.7m to £38.4m and pre-tax profits climbed 11 per cent to £864,000. This compares with the 26 per cent advance to £776,000 the year before.

Net profits moved from £395,000 to £443,000 and earnings a share rose from 5.3p to 5.4p. The total dividend goes up from the equivalent of 2.8p gross to 3.3p.

Mr H. Philip, chairman, adds that sales in the first 12 weeks of the present year are ahead of the same period in 1975-76. He is confident that sales gains and increased acquisitions will bring further profit increase in 1976-77. But he does not quantify the rate of growth expected.

The group is a cash-and-carry wholesaler running supermarkets for small retailers. It came to market in 1959. Watson then went from traditional grocery and confectionery lines into wines and spirits, cigarettes, hardware, electrical goods and toys.

Saatchi Compton earn, pay more

In the 12 months to Sept 30 last, the turnover of the Saatchi & Saatchi Compton advertising agency reached £35.22m, compared with £22.88m.

Pre-tax profits climbed to £976,000, from £806,000, which represents a 21 per cent rise of the two companies. Compton Partners and Saatchi & Saatchi They merged in 1976 to form the present group.

The gross payment goes up from 5.15p to 5.69p. Saatchi's board reports that, despite an uncertain economic outlook, it does not expect 1976-77 to be the year in which their combined record of unbroken growth will falter.

Lonsdale better in second half

Following the sharp fall in profits in the first six months better trading helped industrial holding company Lonsdale Universal to restrict the drop for the full year to 10 per cent. This was despite higher interest costs on a substantial investment programme.

The preliminary statement for the year to September, 1976, shows pre-tax profits of £1.02m, on sales up from £17.85m to £20.78m.

Group managing director, Mr Alan Edwards, said he was pleased with the 20 per cent improvement in second-half profitability and trading was now better than a year ago. "The former Ryman units are integrating very well", he added. The total payment goes up from 5.3p to 6.38p gross.

Ass Engineering shoots for £30m this year

The annual meeting of Associated Engineering heard that Mr J. N. Ferguson, chairman "has good reason to believe" that pre-tax profits this year to September 30 will be at least £30m. In 1975-76 they were a record £21.9m.

He was amplifying the annual report which said that order books and demand indicated a significant increase.

The first three months of the year saw sales and profits in line with budgets. The present order load suggests that this trend should be maintained.

In his report, Mr Ferguson said that immediate prospects in the United Kingdom did not include a major increase in volume, but world demand for diesel engine components continued to be strong.

Pleasurama up 38 pc to peak

Including £96,000 from recently-acquired Templelock, which runs the A. M. Casino in Mayfair, the second-half profits of Pleasurama jumped 45.5 per cent to £767,000. So pre-tax profits for the year to September 30 were £366,000, a rise of 38 per cent on last year's record.

Leaving aside Templelock, the pre-tax profits of this entertainment and amusements group rose 24 per cent to £870,000. Turnover went up 23 per cent to £5,399,000.

Net profits jumped from £300,000 to £417,000 and up goes the dividend from 2.54p gross to 2.78p. Earnings a share were 6.6p against 4.8p.

The board says that the group's per cent interest in the Mayfair Casino, owner of the Casanova Club, in Grosvenor Street, continues to be treated as a trade investment; its profits have not been consolidated.

W. G. Allen optimistic

Even though the business at the W. G. Allen & Sons (Tipton) engineering group is seasonal, the board is confident. Pre-tax profits rose 7.7 per cent to £235,000 in the six months to September 30. Sales climbed from £2.72m to £2.73m. The dividend is 1.33p gross again.

The directors expect profits for the full year "at least" to equal the record £539,000 achieved over the whole of 1975-76. If so, a maximum dividend will be paid.

House of Sears is suspended

The House of Sears has asked Barclays Bank to suspend its listing on the Stock Exchange listing has been suspended temporarily as the group's request pending clarification of its position.

In November this, maker of leisure garments reported a fall in turnover from £964,000 to £863,000 for the year to June 30. But pre-tax loss also went down from £166,000 to £98,000.

Abbey leaps 114 pc in first half

A 114 per cent jump in pre-tax profits to £472,000 is the good news from Dublin-based industrial holding group, Abbey. In the six months to October 31, turnover rose from £8.86m to £10.8m. The dividend goes up from 0.32p to 0.48p.

The group continues to reduce borrowings. The board reviewed the value of development land at October 31, and it is satisfied that no further provisions against book value are needed.

EEC dept looks at Lomho-Dunford bid

The Stock Exchange has restored the listing of Dunford & Elliott's shares. This follows the agreed 70p cash bid from Lomho. In Brussels the European Community's Anti-Trust Department is looking at the

Williams & Glyn's in \$30m note issue

Williams & Glyn's Bank, part of the National and Commercial Banking Group, has become the latest of the British clearing banks to raise new capital in the Euro-markets. It is seeking \$30m through a floating rate note issue lead managed by Kidder Peabody International.

The seven year notes will carry interest at 1 per cent over the six month Eurodollar interbank rate, with a minimum coupon of 61 per cent. Co-managers are Credit Suisse, White Weld, Berliner Handelsbank and Luxembourg Bank, Kredietbank of Switzerland (Securities) and Williams Glyn.

The broker is Panmure Gordon. For its size, Williams & Glyn's has always been an active bank in the international markets, although recently its growth has been more subdued relative to its partner in the

A big comeback for Allied Textiles

By Adrienne Gleeson

Pre-tax profits of Allied Textiles made a big comeback in the year to September 30. They soared from £1.48m to £2.16m. This reflects some first half growth and more second half recovery, and was achieved despite a small decline in turnover. It slipped to £2.63m from £2.91m, and reflected "the elimination of significant areas of marginal trading".

Last year's improvement left profits just short of the record achieved in 1972-73; and the directors are now, according to managing director, Mr Charles Russell Smith, looking for further progress.

He says that the group has

continued its programme of re-equipment and that considerable progress has been made in bringing modernized capital-intensive plant to high levels of efficiency.

With cash flow improving along with profits, and a big increase in stocks financed out of debtors and creditors, the balance sheet shows a big build-up of liquidity.

Net borrowings of £720,000 at end-September, 1975, had changed into net cash of £710,000 by the 1976 balance sheet date, and cash in hand amounted to £1.21m.

The dividend, increased by the maximum to 8.93p a share gross, is covered three times by earnings.

Bumper year sees Y J Lovell top £2.5m

Despite depression in construction and the cost of setting up operations overseas, pre-tax profits of Y. J. Lovell (Holdings), the builder, developer and timber importer, rose from £1.36m to a record £1.52m in the year to September 30. Turnover went up from £39.5m to £47.3m. The results are in line with the indications at half time, and reflect the policy of developing a broad base in construction and allied activities.

1977, despite expectations of continuing recession in construction, "the board is confi-

dent that Lovell will emerge vigorous and successful".

Earnings a share moved from 10.4p to 10.7p and the dividend, as forecast, is raised with Treasury consent, from 3.24p gross to 3.55p. The forecast can be met with the group's one-for-one share issue last July.

Pre-tax profits from building and allied trades fell from £918,000 to £870,000, but those from timber rose from £436,000 to £652,000. The other £23,000 against £8,000 came from the cancellation of a debenture stock.

Howard rise of 61 pc puts shares higher

After a big turnaround in first half year, growth at a cultural equipment manufacturer Howard Machinery's pedestrian in the second months to October 31. All same, pre-tax profits for year soared 61 per cent to £2.03m from £1.26m.

The shares rose 3p yesterday to 46p to yield 7.4 per cent final gross dividend of 1.83p share is recommended to m 3.45p gross.

The keys to Howard's progress are the overseas operations and the new plants in Britain which have undergone extensive reorganisation.

Foreign subsidiaries put up their sales by 44 per cent in the year to September 30, against a 56.3m compared with £54.2m.

Particularly strong performance came from France, Germany and, to a lesser extent, Italy. The French business, the year strongly but was then by summer drought. New business is still slack, paired with a year ago.

Sales in the United Kingdom and exports from the UK Kingdom both showed 15 per cent gains but the trouble Howard Rotavator are evident holding performance back. Although Howard Rotavator made enough money in the six months to eliminate deficit of the first half, apparently could have higher, and the division reports that productivity is a lot to be desired.

A lot yet to do before York is out of Wood

Quantily, York (engineering and railway stock) decided yesterday explain Wednesday's news £171,000 fall to £443,000 in and pre-tax losses of £15 against profits of £22,000 in six months to September 3.

York is the old Mar which once had a big S Walker presence. It now has per cent of George D. where Mr Oliver J. J. Maurice James Holdings, itself is around 17 per cent owned by London & Euro Assets.

Mr L. M. James, the chairman, who also heads M. James, reports that Mr J. Buckley has resigned as director and that Maurice J. Holdings has 16.1 per cent of York's shares.

The half year was not a good one. The group had sold investments in Securities, and the Gen Mortgage Investment Trust, Lamont Holdings, and it provided against a deposit Guernsey Finance. But the subsidiary Marcor was losing the going tough.

Sadly, the half year worse than needed and Mar is still losing money. How management and policy undergone drastic changes.

A further large loss was made in the six month March 31, next. The group depend on how soon the expensive Cork Street London can be disposed of. York is now run from Cov in Maurice James offices, expenses are down, should reappear in 1977-78.

Good start giv Borthwick boo

Up went the shares of trader Thomas Borthwick 80p on news of a good quarter and continuing run of a bid for FMC.

Dr William Bullen, chair told the annual meeting sales and profits for the quarter of the year to September were "comfortably" of the same period. But it is tough in many parts of the world, he told shareholders.

Whether this profit continues has to be seen. The group has a good start, but it is not yet clear if the £8.03m before tax, which pared with a forecast £7.2m.

The chairman viewed board's policy as broad profit base and smooth the profit swings of the national meat business.

In November the gained a contract worth £10m for the sale of 100,000 head of cattle. This was the second Soviet deal since the group began to directly to the official buying agency.

Interim rise at David S. Smith

Maintaining the progress of recent years, pre-tax profits of David S. Smith (Holdings) climbed from £376,000 to £615,000 in the six months to October 31. Sales jumped from £2.22m to £3.09m.

Earnings went up from 3.3p to 5.5p a share and the interim dividend rises from 1.55p gross to 1.69p.

But Mr David S. Smith, chairman, says that changing economic conditions, and pressure from customers seeking economies to offset continuing increases in costs, make forecasting more difficult.

The group is equipped to meet changing demands but margins "may well be affected during the second half of the year."

Fresh turn in battle for Walthamstow

The battle for control of Walthamstow Stadium, thought to be closed a week ago, took a new twist when the Chancery Division. A temporary injunction ex parte was granted until Tuesday. This was on the application by counsel for Mrs Irene Owens (nee Chandler) restraining any dealings regarding the stadium.

A spokesman said that Mrs Owens maintains that under provisions of the company's articles she is the highest bidder for the shares and therefore entitled to have these transferred to her.

The 33 per cent stake held by GRA had been reported sold to rival members of the Chandler family connected with the existing management.

Greenall Whitley

Sales to date are encouraging at Greenall Whitley the Warrington-based brewery group. Mr Christopher Hatton, the chairman, notes in his annual report that the group's efforts to boost sales bore fruit last year, and the board is budgeting for further growth in 1976-77.

Pre-tax profits for the year to September 24 went up from £5.9m to record £8.6m, on turnover of £85.2m against £69.4m.

Setback for Cantors

Cantors is in retreat. After a leap in new charges from £33,000 to £137,000 pre-tax profits dropped from a record £276,000 to £84,000 in the six months to October 30.

Turnover of this retailer of general house furnishings, carpets and bedding rose from £6.06m to £7.34m. Earnings a share came out at 1.27p against 2.03p. But the dividend is 1.15p gross again.

Manson Finance Trust Interim Statement 1976

	Six Months Ended 31.10.76	31.10.75
Group Revenue	£'000 786	£'000 783
Net Profit before Tax	217	258
Less: Tax based on these profits	119	127

1970-71	Int. Gross	1970-71
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§ Forward bargains are permitted on two previous days

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